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General Editor: R. S. LAMBERT, M.A.

MODERN IMPERIALISM

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MODERN IMPERIALISM

BY
R. S. LAMBERT

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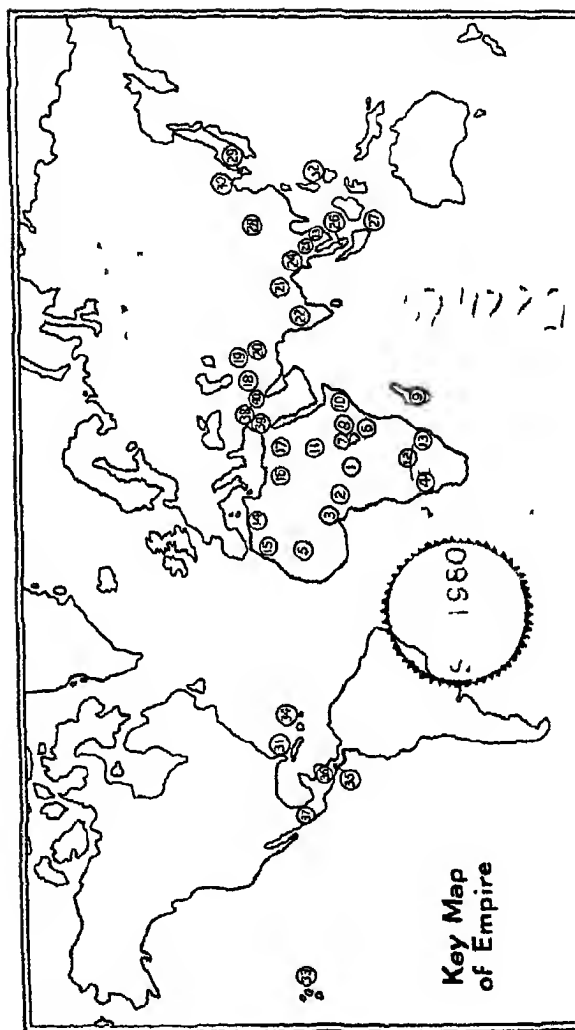
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REFERENCES TO KEY-MAP

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| 1. Belgian Congo. | 20. Afghanistan. |
| 2. French Equatorial Africa. | 21. Tibet. |
| 3. Nigeria. | 22. India. |
| 4. South-West Africa (ex-German). | 23. Indo-China. |
| 5. French West Africa. | 24. Burma. |
| 6. Tanganyika (ex-German East Africa). | 25. Siam. |
| 7. Uganda. | 26. Malaya. |
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| 9. Madagascar. | 28. China. |
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INTRODUCTORY NOTE

A VAST subject such as " Modern Imperialism " might easily develop into a history of the whole world during the last two generations. Necessarily, therefore, much has been excluded from this short introduction. Its scope is confined to Asia, Africa, and America, that is to those continents where the exploitation of weak and backward peoples by the more industrialized nations has had full play. To have included Europe also would have involved an account of the causes of the Great War, to which justice could only be done in a separate volume.

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CHAPTER I

THE OLD IDEA AND THE NEW

'IMPERIALISM, in one form or another, is obviously as old as history itself. Wherever one community has sought to extend its influence or its wealth at the expense of another, we have imperialism, whether accompanied by war or not.' Some writers have found a natural basis for this process. The material environment of man, they urge, is always changing. Geographical and climatic conditions alter; and so the economic basis of human group life is always altering. The aim of the human group must always be to reach economic stability and self-sufficiency. Hence the race migrations, the voyages of discovery, the wars of ambition and conquest, and the rise and decay of empires which have marked history.

But old as imperialism is, we have recently begun to take a new interest in its forms. This is partly because it has come as a new problem to nineteenth century democracy, and partly because war, the traditional associate of imperialism, has suddenly become so much more ruinous and devastating than ever before. But there is another reason. Imperialism strikes the present generation with a sense of novelty because we can remember that it was unfashionable with our grandfathers and great-grandfathers. Did not Cobden in 1835 write of colonies as "gorgeous and ponderous appendages" that served "to swell

our ostensible grandeur, but in reality to complicate and magnify our government expenditure, without improving our balance of trade " ? Again, Adam Smith, Bentham and Mill all wrote either with lukewarmness or condemnation of our own and other empires. Consequently, ' to anyone brought up in the radical tradition of the nineteenth century the revival of imperialism during its last quarter wears a look of novelty that requires explanation. '

' In the modern world imperialism dates from the end of the Middle Ages, and divides itself plainly into two stages separated by a short reaction early in the nineteenth century. The original voyages of discovery which opened up America and the East in the fifteenth and sixteenth centuries were inspired by the desire to find gold mines and trade routes. The short-lived economic supremacy of the first imperialist power, Spain, was based on her capacity to satisfy Europe's hunger for currency through the exploitation of the precious metals in America. ' It is calculated that between 1493 and 1640 Spain drew from her American possessions some 875 tons of gold and 45,700 tons of silver ! The Dutch and Portuguese were more subtle in their aims, and sought to supplant the Germans and Italians as middlemen and carriers of sea-borne trade between Europe and the East. ' But in the seventeenth and eighteenth centuries a further development took place. The size of ships was increasing, the seas were becoming charted and naval science was making voyages more regular and secure. And the industries of the leading European countries, especially France and England, were growing rapidly. The home markets (in cloth and wine, for instance) were near saturation, and

competition in exports was beginning. France and England therefore now entered the field of colonial ambition. Colonies were required for two purposes : first, to supply raw materials and provide markets for home industries : secondly, to afford an outlet for " unwanted " elements of the population of the mother country. Gradually the temperate parts of the globe were discovered and settled by white emigrants who displaced the aboriginal inhabitants—English and French in Canada, English in New England, Spanish and French in Central and South America, Dutch and English in South Africa, and English in Australia. In the tropics—Dutch East Indies and India—where white settlement was impossible on a large scale, trading stations were established and gradually enlarged into territorial dominions over native races. '

But it was easier to conquer or settle territories than to administer or exploit them profitably. The economic theory of that age made government responsible for directing the economic life of the nation on a narrowly exclusive basis. 'The European home markets were carefully guarded with tariffs and other restrictions ; and the same principles were applied to colonies and spheres of trade. For each country considered itself entitled not merely to regulate the trade and industry of its colonies, but to monopolize the former and subordinate the latter to the interests of the home producer. Now the double task of regulating commerce and administering conquered territories proved too great for the centralized monarchies or bureaucracies of the eighteenth century. 'The imperial grandeur of France, England, Spain and Holland at that time was imposing, but superficial. For the distance of

the central governments from their dependencies and the corruption of their officials made decay or break-up inevitable. A series of wars and rebellions between 1760 and 1825 showed that the colonial empires of all the leading European powers were top-heavy. 'First, the French colonial empire was destroyed or seized by Great Britain in the Seven Years War (1756-63). Next our own American colonies revolted and declared their independence in 1776. Later, both the Dutch and British East India Companies, amid growing scandals of maladministration, had to give up their monopoly of trade. And early in the nineteenth century the Spanish colonies in South America shook off their allegiance, and Portugal lost Brazil.'

'These events coincided with a change in economic doctrine.' The Industrial Revolution gave Great Britain a short-lived but definite superiority over all other European nations in the manufacture of textiles, iron goods and hardware. As her costs of production were then the lowest in the world she had no need of monopolies and tariffs to sell her goods. 'The markets she sought were the crowded centres of population in Europe itself, and so colonies and undeveloped countries became of secondary importance. Therefore the doctrine of *laissez-faire* pointed away from empire and denied the value of government interference, direct or indirect, in foreign trade.' The United States of America and Great Britain, it was argued, did far more business with each other after their separation than before. Naturally, the white population of our other colonies followed suit in demanding self-government; and the fact that Canada, Cape Colony, Australia and New Zealand had their wishes

granted in this respect, seemed but a prelude to their final emancipation. Other countries too, watching Great Britain's example, concluded that colonial empires were hardly worth the trouble and expense they entailed.

' Thus for the first three-quarters of the nineteenth century anti-imperialism became the prevailing note of foreign policy. After 1815 Great Britain was very slow to add to her Empire. This was shown in our reluctance to complete the colonization of New Zealand (1840), to annex Natal (1843) or to assist in the construction of the Suez Canal (1856). The independence of the Boer republics of South Africa was recognized (1852-4). The sovereignty of the Fiji Islands was twice rejected before 1874 and development of our West African settlements was deliberately checked (1865). During the same period France, despite the annexation of Algiers (1830) and Cochin China (1862-5), threw open the trade of her colonies to all nations in 1861. Germany refused to buy Mozambique from Portugal, or to take Cochin China from France in 1871 instead of Alsace-Lorraine. As Bismarck himself wrote in 1868: "All the advantages claimed for the mother country are for the most part illusions. England is abandoning her colonial policy; she finds it too costly."

' The year 1874 is commonly taken as marking the end of the anti-imperialist interlude and the revival of modern imperialism. In 1872 Disraeli had announced his conversion to imperialism, and behind Disraeli loomed the Rothschilds and other Jewish financiers who began to sense the possible profits of overseas capital investments. With the support of British trade unionism (thrown into the scale against the Criminal Law

Amendment Act of 1871) Gladstone was overthrown and the prophet of the new gospel returned to power. From this time onwards the "Little England" influence began to wane, and even successive Liberal cabinets could not resist the imperialist tendency.

Altered economic conditions accounted for this change of heart in Great Britain. The first stage of the Industrial Revolution was over. Developments in textiles and iron and steel were being paralleled by the growth of railways and steamships and the progress of engineering. Britain's original industrial lead—which had given her a practical monopoly of European markets—was vanishing. The industrial infancy of France, Germany and the U.S.A. was ending. Between 1870 and 1903, for instance, the production of pig-iron in the U.K. increased from six million to nine million tons; in Germany from 1.4 millions to 9.8 millions; and in the U.S.A. from 1.7 millions to eighteen millions! Cut-throat competition for European markets began among the leading powers, who rapidly reverted to extreme protectionist policies. At once greater interest began to be taken in colonies and in the possibility of disposing of surplus manufactures in extra-European countries.

The improvement in means of communication made it easier both to open up new territories and to administer colonial possessions. In the latter half of the nineteenth century the world's railways increased from 24,000 to half a million miles in length and the world's telegraphs from 5,000 to over a million miles. Also the building of railways, laying of cables and establishment of steamship lines themselves provided attractive channels for the investment of capital. It was

soon noticed that the enormous home investment of capital which had taken place during the first half of the century had gradually lowered the rate of interest. New capital, therefore, which was continually accumulating out of the profits of old investments, could earn more by being transferred to more backward countries where capital was scarce. Thus in 1886 a French economist observed that "the same capital which will earn three or four per cent. in agricultural improvements in France will bring in ten, fifteen, twenty per cent. in an agricultural enterprise in the United States, Canada, La Plata, Australia or New Zealand."

Again, the continued expansion of home industries created a growing demand for the products of tropical countries. Soon after the American Civil War English cotton manufacturers began to interest themselves in the possibilities of empire cotton-growing, e.g., in India and Egypt. Rubber, sugar, phosphates, tea, coffee and cocoa also became of increasing importance to European civilization, whilst the search for coal and iron continued, and that for oil began.

Other factors played their part in the imperialist revival. Nationalist sentiment, which had been growing ever since 1815, came to a head all over the civilized world. Italy achieved national unity in 1866, Germany in 1871. Secession was prevented in the United States. Russia began to unify the vast territories she had absorbed haphazard since 1815. National aspirations began to revive among the Poles, Czechs, Slavs, etc. This new nationalism lent a glamour of romance and patriotism to imperialist projects. Even the growth of democracy itself could be twisted to serve the same end. During the middle of the

nineteenth century the British working class was given for the first time a substantial share in the benefits of the Industrial Revolution. The standard of life was improved, education and political power diffused, and small investments of capital encouraged. As a result, it was possible to show a connection between further social reforms, which would raise the standard of life of the masses still higher, and imperialist expansion, which would provide increased employment and profits for industry.

Thus a number of separate interests combined to make imperialism popular. To-day these interests have been welded into a powerful array of forces which is capable of swaying society. It is interesting to try and enumerate these forces. To begin with, all industries do not reach the same stage of development together ; consequently not *all* business interests are directly concerned with propagating imperialism. Small-scale industries which have not developed beyond catering for a local or purely home market ; large-scale industries sheltered from foreign competition and monopolising the home market ; and export trades, provided they are not subject to international competition—all these may remain uninterested in imperialistic projects. We should expect to find the lead taken by certain great export trades which are subject to fierce competition. The backward peoples of the earth, when discovered, present an obvious market for the cheap-clothing trades, especially cotton. And backward countries—jungle, mountain, river and forest—can be made to demand railways, vehicles, tools and machinery, bridges and buildings—in a word, the products of the iron, steel and engineering trades. The coal-export trade may also be, indirectly if not directly,

interested in imperialist expansion. Next come the trades which specialize in the mass production of cheap luxuries—especially ornaments, alcohol, tobacco, etc.

Besides these export trades, there are those industries dependent upon the *import* of raw materials from tropical countries. The cotton industry is dependent not only for its markets, but also for its raw materials upon backward peoples. Imported rubber, petroleum, vegetable oils, coal, iron and copper form the basis of many great home industries, and often have to be imported from abroad. Powerful trusts and combines have sprung up to develop their extraction and transport to the world's industrial centres. These—oil is the most notorious example—have played a vital part in shaping government policies during the past fifteen years. Other import interests dependent on imperialism are the tea, coffee and cocoa trades.

As modern imperialism has only been made possible by the development of transport and communication, it is not surprising to find that shipping interests, together with armament makers and telegraph manufacturers, are strongly imperialist. There are also a number of smaller trades which thrive upon supplying the needs of colonial governments. They obtain contracts for constructing harbours, docks, roads, irrigation systems, dams, canals and buildings—the pickings of imperialism.

Again, imperialism has its financial as well as its commercial side. Colonies are a market for the export of capital in the form of colonial government loans, railway and steamship issues, and credits for colonial producers, merchants and shippers. Banks and financial houses increase

their commissions and profits in proportion as colonial activity increases. In the twentieth century a new stage in the growth of finance has been reached in the participation by the banks of certain countries—particularly Germany and U.S.A.—in commercial enterprises. The industrial chaos which followed the European War presented a golden opportunity for the extension of this tendency. Not only have banks gained control of whole industries, but in order to free banking from public surveillance, many state banks have been denationalized and returned to private enterprise. Finance may influence politics, but not politics finance!

But the capitalist groups directly interested in imperialism would not be strong enough, by themselves, to affect international policy and the scramble for colonies, protectorates, spheres of influence and concessions, unless they were backed by other groups in society. Imperialism provides profits for certain industrial, commercial and financial magnates. It also secures employment for thousands of wage-earners and a *raison d'être* for certain whole professions. Among the latter are the majority of soldiers, sailors and airmen; many diplomatists, consuls and officials; and, in the case of India and some other countries, a large civil service. Then come the scouts and camp-followers of imperialism, a host of missionaries, explorers and adventurers. Sometimes these act as unofficial or even unintentional pioneers of empire. The effect of Christian missions, indeed, cannot be considered as wholly imperialist. For Christianity itself, in its simplest and most direct form, is apt to be a revolutionary and explosive force, producing upon the primitive mind effects far other than those planned. Thus

missionaries have often first provoked imperialism and afterwards clashed with it.

Behind all these, one must remember, stands the politician, ready to play with the forces of imperialism and turn them to his own temporary advantage. Imperialism has proved itself a great electoral asset. It is not merely of material interest to certain sections of the community; to other, and much larger sections, it is of important sentimental interest. Although for every inhabitant of Great Britain the Empire provides ten colonial subjects, black, brown or yellow, still it is questionable whether the average Englishman derives any proven material advantage personally from the possession of that Empire. The standard of living in many non-imperialist states is as high as or higher than the standard in many imperialist states, while the burden of taxation and armaments and the risk of war are undoubtedly lower. But the clerk, the shop-keeper or the labourer who supports imperialist projects or acts is moved by quite other considerations. He who would never dream of supporting a co-operative system of producing wealth, or community ownership of capital, considers himself benefited by the annexation of a remote territory to his country—in which he has a kind of spiritual share. His pride is flattered; his most primitive emotion—fear—is lulled. Even his idealism may be indulged. There is no side of human nature to which imperialist propaganda has not found a means of appealing. Empire is *profitable*—for it affords room for migration and settlement, safe access to food supplies, more employment and higher wages. Empire is *natural*—for it ensures against attack, defends trade and maintains national prestige. Empire is *noble*—for it helps

to extend civilization and lays upon the white man the "burden" of assisting and training the backward peoples. As there is nothing that man likes better than to feel he is doing good at a profit, can it be wondered at that he can hardly resist the imperialism which promises both? If only it did not end in War . . . !

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CHAPTER II

THE PARTITION OF AFRICA

THE most striking achievement of modern imperialism is the division of Africa among a few European powers during the last quarter of the nineteenth century. In the early days of exploration Africa, like America, was regarded as an obstacle in the route to India; but, unlike America, it did not offer itself to colonization and annexation. Its lack of harbours, its immense size and shapelessness, its climate and apparent lack of useful products, made it for long not worth penetration except for one purpose—slave-raiding. Only the southernmost tip, with its temperate climate, suited white settlement. By 1875 barely ten per cent. of the continent belonged to European powers. France had acquired Algiers (1830), Great Britain Cape Colony (1806) and Natal (1846), Portugal Mozambique and Angola; apart from these colonies a few isolated white trading stations dotted the West Coast of Tropical Africa. And this was all. But from early in the nineteenth century the interior had been a happy hunting-ground for the missionary and explorer. These were continually bringing back news of the survival of slavery and the slave trade, and of the fields of savagery and heathenism waiting to be tilled by Christianity. Thus an idealist and romantic atmosphere surrounded the penetration of Africa even before the economic conditions were ripe for an imperialist crusade.

TROPICAL AND WEST AFRICA

The first scene of this "crusade"* was laid in the heart of the tropics. In 1878 the explorer Stanley published his record of a romantic and hazardous journey "Through the Dark Continent," in the course of which he had discovered the basin of the mighty river Congo. Now among those interested in this exploit was the eccentric King of the Belgians, Leopold II, who conceived the idea of harnessing the energy of the explorer-missionary to the cause of imperialist exploitation. It was not, indeed, without first vainly offering his services to Great Britain, that Stanley agreed to return to Africa as Leopold's agent. In the meantime the King had gathered together in 1876 an unassuming group of business men who put together a capital of a million francs and took in 1882 the name of the Congo International Association. Under their auspices Stanley returned again to the scene of his travels, and moved along the south bank of the Congo establishing trading stations and concluding 400 treaties with native chiefs inducing them to barter their lands to the Association. The north bank he was unable to exploit, as the French Government had taken alarm and sent an explorer of its own who turned that area into the French Congo (later French Equatorial Africa). The methods of Stanley and Leopold were imitated by the French in their share of the Congo.

At this point Great Britain, awakening to the importance of the step taken, would have liked, through Portugal, to snatch the Congo away from Leopold, but he retained his hold by skilfully inducing France and Germany, both jealous of

* Leopold's own phrase, "a crusade worthy of this century of progress."

Great Britain, to come to his support. At Berlin (1884) an international conference solemnly ratified the Congo Association's claim, and all parties pledged themselves "to protect the natives in their moral and material well-being, to co-operate in the suppression of slavery and the slave trade, and to further the education and civilization of the natives." A year later the Congo International Association blossomed forth as the "Congo Free State" with Leopold as its King. It was soon found that the profitableness of the 900,000 square miles of the new State depended on the amount of rubber and ivory that could be extracted from it. All land therefore not actually occupied by the native clearings and their huts was appropriated by the State, and the natives were "taxed" in kind to make them set to work to produce rubber and ivory. Foreign capital was imported to supplement Leopold's own resources, and in ten years (1891-1900) the value of ivory exports was raised from 2.8 to 5.3 million francs and of rubber exports from .3 to 38.9 million francs. It is estimated that Leopold himself netted a fortune of four million pounds out of his enterprise, whilst other shareholders profited in proportion. The pledge "to protect the native" given in 1884 was carried out in a form exposed by Sir Roger Casement in 1903. He reported that thousands of natives had been massacred or driven to flee from the country; that the rubber taxes had grown so oppressive as to leave the natives no time to grow their own food; and that whole villages had decayed and vanished away. Belgian indignation against King Leopold was roused by these revelations to such a pitch that he was expropriated in 1908 and the Congo nationalized—at a cost of over 100 million francs!

But the Congo as a rubber-producing area was completely exhausted by Leopold's extraction. Its rubber output has since fallen from 40 million francs' worth in 1900 to $2\frac{1}{2}$ millions in 1924. Under the more humane and scientific régime of the Belgian Government, the production of copper has taken the place of rubber, British and Belgian capitalists providing equal shares of the capital. A concession granted in 1911 to Lever Brothers has led to the export of vegetable oils for soap-making. Diamond-mining has also been found profitable. And most of the world's supply of radium comes from the Belgian Congo. But with all this its native population has fallen from an estimated 40 million in Stanley's day to $8\frac{1}{2}$ millions! And to-day the average wage of unskilled negro labour in the Congo is 25 to 31 francs a month without board, or 15 to 30 francs with board. In 1924 native education accounted for about $3\frac{1}{2}$ per cent. of government expenditure.

King Leopold's "crusade" inspired immediate imitators in West Africa. A contemporary of Stanley, George Taubman Goldie (afterwards knighted) founded the United African Company to develop trade along the river Niger. French and German rivalry was met and overcome, and by 1886 a British protectorate had been set up over the coast at the mouth of the river, and the Company, re-christened the Royal Niger Company, chartered to rule, tax, and develop the territory. Fifteen years later the British Government expropriated the territorial rights of this Company for a lump sum of £865,000, which enabled it to distribute a bonus of 145 per cent. to its shareholders. This expanded Nigeria, together with the small trading settlements of Gambia, Sierra Leone, and the Gold Coast, to-day make up British

West Africa. Nigeria alone has a native population of 18½ millions and an annual trade with Great Britain of 25 million pounds. Its economic prosperity is due not only to its monopoly of the world's cocoa supply, but also to the comparative absence of "Congo" methods. The natives were not dispossessed wholesale of their land, but English ideas of private property in land were introduced in place of the old system of tribal tenure, and peasant proprietorship was encouraged. The natives have been encouraged to cultivate oil palms and cocoa. The result of this is seen for instance, in the Gold Coast, whose cocoa exports have risen from about 300 tons in 1900 to 218,000 tons in 1925. The raising of their standard of living by the purchase of European commodities has been the inducement held out to the West African natives to expand their productivity. No forced labour has been required from them except for certain public works such as harbours and railways. The tax system, however, has been used to keep the supply of voluntary wage labour sufficient; the peasant proprietor being taxed upon a heavier scale than the wage earner. And alongside the system of peasant ownership there has been a growth of large-scale plantations under white capitalist ownership (such as Lever's), especially for cocoa growing. This has produced a demand for the introduction of forced labour on plantations, either run by private interests or by the State. Forced labour on public works *only* is unpopular with the private companies, for it absorbs a supply which they require for themselves. Expenditure on education in British West Africa is about 3 per cent. of the total revenue.

The lead taken by Belgium and Great Britain in tropical Africa was speedily followed by

Germany once Bismarck had been converted to imperialism. Germany, however, came late into the field and needed to show extraordinary diplomatic skill to obtain the necessary foothold. Her explorers and capitalists, on the other hand, enjoyed the advantage of more direct backing from their Government than their rivals. Thus under Bismarck's auspices Lüderitz slipped in between Cape Colony and Wallfisch Bay and prevented the complete rounding-off of British South Africa by establishing the colony of German South-West Africa (1884). In the same year the explorer Dr. Nachtigal, with a German warship at his disposal, anticipated the British by a neck in buying treaties with native chiefs and so secured for his country new colonies in Togoland and the Cameroons. By playing for the support of France and supporting her in her own pretensions in Africa Bismarck compelled Great Britain to recognize these achievements. So, for thirty years, till the war of 1914, Germany had her West African empire, but without much profit to herself. Not only did she find herself up against the universal African difficulty—the refusal of native labour to volunteer to serve the white capitalist for wages—but she lacked sufficient capital of her own to supply the driving power. Whatever progress was made was due to Government action—the building of harbours, railways, bridges, etc. The failure to solve the labour problem was shown in the Herrero and other native rebellions: the Herreros were more than half exterminated or exiled. But in spite of their lack of success as colonists, the Germans were exceedingly anxious to extend their share of empire at their neighbours' expense, and negotiations entered into with Great Britain for the par-

tition of Portugal's African colonies and with France for part of the Congo almost came to fruition. But the war of 1914 intervened to put an end to these hopes, and swept Germany off the scene as an Imperial power.

The French Empire in West Africa became even more extensive than the British or German. Starting from their isolated footholds on the coast (Senegal, the Ivory Coast, French Guinea and Gabun), a few intrepid explorers carried the French flag right into the barren deserts of the interior. The French plan was to creep round behind the colonies of the other powers and occupy the hinterland with the hope of eventually linking up all her possessions in a single vast territory. Efforts made by Great Britain to hinder this merely led the French to go further afield and penetrate the Eastern Sudan. Finally France partly succeeded in her object and became the proud possessor of nearly $1\frac{1}{2}$ million square miles, reaching from the Congo to the Mediterranean. Unfortunately, this includes the Sahara desert! For this reason it has never yet become a good commercial proposition; its total trade to-day is far less than that, for instance, of Nigeria. Vast paper plans have been laid for establishing railways, air and motor routes, but the natives produce from the soil little more than they consume, and the capital to drive them is lacking. In French Congo for a short time (beginning in 1899) the Leopoldian plan of forced labour and concessions to foreign capitalists was tried. The usual atrocities took place and the native population declined in twenty years from eight millions to under three millions. But even then the concessions proved unprofitable, so the system was gradually modified and weakened.

EAST AFRICA

Whilst these experiments in imperialism were being tried in West and Central Africa, a lively scramble for colonies was taking place on the East Coast. Here Germany was first in the field. East Africa had been one of the chosen grounds of the old slave trade. The Arab Sultanate of Zanzibar with its effete and stagnant Moslem "civilization," occupied not only the island of that name, but also a long narrow strip of the coast behind which lay the hinterland from which it drew its middleman's profit on the slave cargoes supplied to the traders who haunted its harbours. In 1884-5 Dr. Karl Peters with his "German East African Company" behind him explored the hinterland behind the Zanzibar coast, and collected the usual bundle of "treaties." By threatening to do business with King Leopold, he induced Bismarck to extend official protection over his venture. But hard on his heels came Sir Harry Johnston, exploring to the North of Mt. Kilimanjaro on behalf of the British East Africa Company. The British and German Companies now wished to divide up the Sultanate of Zanzibar and at the same time to compete for the territory lying round the Great Lakes, Uganda. But in 1890 Bismarck decided to leave Uganda to Britain, in exchange for the cession of Heligoland; Zanzibar was also allowed to become a British Protectorate and be absorbed into her Empire. To-day, though the total European population of the latter is only 270, it is valuable as producing 90 per cent. of the world's supply of cloves. Germany in quitting Uganda and Zanzibar confined herself to the large slice of territory lying to the south known as German East Africa.

German East Africa proved to be the most successful of her colonies, but was only developed on the plantation system with bloody suppression of native risings. In one of these risings (1905), it is reckoned that 120,000 natives lost their lives! Yet even by 1914 the colony was not economically self-supporting.

Meanwhile, the British East Africa Company made slow headway in Uganda and in 1890 was on the point of withdrawing altogether. Through the propaganda of the explorer Captain (now Lord) Lugard, the Church Missionary Society was induced to take the lead in granting money to prevent this, and commerce, philanthropy, religion and politics were all pressed into service to persuade Government to help. But after investigation, instead of helping, the government expropriated the Company and turned East Africa and Uganda into protectorates (1894). Both these colonies proved unprofitable for many years. The hut-tax on the natives in Uganda to-day takes the form of a month's compulsory labour.

Once more Britain and Germany were about to extend their colonies in East Africa by an agreement to divide up Portuguese Mozambique, when war broke out in 1914. At its close Great Britain emerged with Kenya, Uganda and Tanganyika (old German East Africa, now a mandated territory) forming a solid block of territory under her control. British East Africa is 40 per cent. larger than British West Africa, but its total trade (1923) is 66 per cent. smaller. One of the reasons for this is the different policy of exploitation followed in East Africa. Instead of leaving the natives in possession of the land and encouraging them to develop their own productive

resources, thus increasing their purchasing power over European manufactures, British sovereignty was extended arbitrarily and rapidly over the whole territory and the land was parcelled out to white settlers. The reason for this was the desire to forestall French imperialist aims, and to facilitate railway building. But the result of this policy has been that, in Kenya for instance, $2\frac{1}{2}$ million native Africans have been cooped up in "reserves" of less than a quarter of the 210,000 square miles of the colony, whilst 12,500 Europeans enjoy the rest. The white settlers, led by Lord Delamere, soon found that land was useless without labour—so the old problem was raised in an acute form—how to make the native give up his own resources and hire himself to work for the white man to grow maize, wheat, sisal or coffee. In Kenya this was accomplished by levying a heavy hut-tax upon the natives in the reserves sufficiently high (now 12s. a year) to compel them to leave their homes and seek work. About 140,000 natives are to-day in white employment at wages which often fall as low as 8s. a month. As the labour problem has not even so been solved to the satisfaction of the white planters, they have since 1921 been agitating for self-government, in order that they may get the chance to put into effect their more advanced ideas on the necessity for "forced labour." At present a government commission is investigating the situation in East Africa with a view to laying down the lines of future policy.

The division of East Africa between Germany and Great Britain before 1914 involved providing some compensation for other interested powers. France was permitted to force a protectorate on the island of Madagascar, and later (1896)

to annex it in order to monopolize its trade, although this was contrary to the treaty rights of Great Britain and U.S.A. We may note as an exception to the general rule, that here compulsory education for the natives has been introduced. Again, in 1892, Italy was assisted by Great Britain to extract from the Sultan of Zanzibar a lease of the Somali Coast. Italian Somaliland was developed at a loss by a company subsidized by the Italian government and eventually bought out in 1905. Up to that time its "unproductive sands" had been little esteemed by Italy, but the discovery of the possibility of its use for cotton-growing has put a new value on the colony.

The gradual partition of East Africa culminated in a clash of rival imperialist ambitions in the Sudan at the end of the nineteenth century. A glance at the map will show that British acquisitions lay mainly on a line due north and south across Africa; while France was trying to consolidate an empire stretching east and west across Central Africa. These two aims were incompatible, and they crossed each other in the Sudan. On the whole, Britain had the support of Italy, France of Russia and Germany, in the rivalry which followed. In 1882 Great Britain had occupied Egypt, with France as sleeping partner; forthwith she began to push up the Nile valley into the Sudan. But the career of the Mahdi and Gordon's death at Khartum (1885) temporarily checked this advance. It was resumed in 1889, when Italy was encouraged by Great Britain to enter on a career of empire building at the expense of Abyssinia. But an unexpected check occurred in the resistance made by the Abyssinian Emperor, Menelik. Assisted by French arms he managed

to rout the Italians in battle at Adowa (1896) and so ensured, alone among native African rulers, the independence of his kingdom.

It was now the turn of the French to try and execute their own plan. Their base was the French Congo, and their aim to cut across the Nile valley and link up with the tiny colony of French Somaliland at the mouth of the Gulf of Aden. A race took place between the daring French explorer Marchand, cutting his way north-eastwards through tropical forests, and Kitchener advancing slowly up the Nile. At Fashoda in 1898 the two met face to face and each refused to give way. Great Britain and France stood on the verge of war for six months; but Russia refused to support her ally in the event of war, and France reluctantly yielded. So Great Britain secured her ambition of a line North and South from Cape Colony to the Mediterranean, and the joint sovereignty of Great Britain and Egypt was proclaimed over the Sudan. This of course meant in reality British rule, as was made clear in 1919 when Egypt was granted nominal independence, but not permitted to assert any claim to govern the Sudan. For in the interval the Sudan had been discovered to be extraordinarily valuable for cotton growing. By railway construction and irrigation the trade of the country was increased sixfold, and the population trebled in twenty years (1905-25).

SOUTH AFRICA

Whilst the centre of Africa provided a field for the jealousies of several European powers, the more temperate zone in the south was dominated from the first by Great Britain. The original Dutch settlements of Cape Colony and Natal were

annexed by Great Britain in 1806 and 1843; dissatisfied Dutch farmers had then trekked inland and founded two Boer Republics of the Transvaal and Orange Free State; and Germany had slipped in and gained a foothold in a corner of the south-west. Modern British imperialism in South Africa dates from the arrival of Cecil Rhodes in 1870 to seek his fortune. The diamonds of Griqualand had just then been discovered, and the gold-fields of the Transvaal were opened up in 1886. Now the genius of Rhodes was financial. He made his fortune by trustifying the two new industries, diamonds under De Beers Consolidated (1890), and gold under the Consolidated Gold Fields of South Africa. The whole of this fortune he devoted to British imperialism.

To Rhodes the British Empire was a religion, as his will (drawn up in 1877) showed, with its vision of an all-British Africa, and the United States reabsorbed into their mother country! It was Rhodes who conceived the scheme of a Cape-to-Cairo railway, and took the first steps northward to make it possible. First, he successfully agitated for the annexation of Bechuanaland (1885). Then he pioneered, after the fashion of Stanley, in the table-land lying to the north inhabited by the Matabele and Mashona negro tribes. After persuading King Lobengula, who could not read, to sign away all the minerals in his country in exchange for a few rifles, cartridges, and an annuity of £1,200 (1888), he formed the British South Africa Company with £1,000,000 capital (of which De Beers supplied £200,000) to exploit the new territory. In 1889 the Company was granted a Royal Charter for 25 years with complete territorial powers and no northern boundary. Lobengula was ousted, and Rhodesia

colonized. Then the usual land policy was followed; the natives were cooped up on the inferior "reserves," whilst all the most fertile parts were allocated to white planters. The natives were "induced" to come forward and labour for the white man by an annual poll-tax of one pound. But in spite of efforts to develop fruit farming, Southern Rhodesia became primarily a gold-producing country, while Northern Rhodesia developed lead, copper and zinc mines. In 1923 the South Africa Company lost its territorial rights, and Northern Rhodesia became a Crown Colony, whilst Southern Rhodesia gained self-government. But in spite of a hut-tax or poll-tax of at least one pound a year (the usual rate in South Africa), the same economic difficulty—shortage of adult native labour—remained facing the white population, who began to cast longing eyes on the native children. In 1926 the Southern Rhodesia Native Juveniles' Employment Act was passed, making it possible for native children to be "indentured" from birth, and for boys under 14 to be punished by whipping. The old South Africa Company, also, retains the full mineral rights in the soil.

The ambitions of Rhodes were next turned towards the two Boer Republics. The Dutch farmers, who held the political control in these States, proved antagonistic to the foreign mining interests and preferred to keep native labour on the land rather than employ the usual methods of inducing it to flow into industry. Thereupon the British gold-producers, with Rhodes at their head, produced a new weapon of imperialism, which has also been borrowed elsewhere since. They decided to stir up a revolution, and overthrow the Boer Government by *coup d'état*—the famous

Jameson raid of December, 1895. But the raid failed to come off, Rhodes was discredited, and Germany stepped forward to assume temporarily the protection of the Boers. Naturally the Jameson Raid helped to precipitate an open struggle between Briton and Boer. The propaganda of the Transvaal mining interests was successful in rousing the sentimental side of British public opinion, and the Boer War (1899-1901) followed. This war, localized though it was, was an important step along the path that led to 1914. For it was European disapproval of our treatment of the Boers that led Great Britain to depart from her traditional policy of isolation and entangle herself in secret understandings and ententes with other powers; and it was indignation with the seizure of certain German steamers by British ships during the Boer War that led Germany to commence her naval rivalry with Great Britain.

After the Boer War the economic difficulty remained as great as before. The farming and mining interests were still opposed over the labour question. Lord Milner's attempt to find a way out by importing Chinese coolies under indentures which savoured strongly of slavery was foiled by the change of government in England in 1905. But a solution was gradually found. The Boers were given self-government and persuaded to come into the Union of South Africa in 1909. The Portuguese colony of Mozambique was used to supply native labour under contract (veiled slavery) to the mining capitalists, and a section of the Dutch under Botha and Smuts was detached from their compatriots and persuaded to join hands with "big business." Meanwhile, new problems appeared. South Africa was developing, along-

side of her mines, manufactures of her own, and consequently a wage-earning white population in the towns as well as a class of penniless derelict "poor whites" (who had once been farmers) on the countryside. It was natural that when Botha and Smuts went over to the Rand Capitalists, the Dutch remnant should draw closer to the white South African Labour party. But the *total* white population of South Africa—Boer and British together—is $1\frac{1}{2}$ millions, while the total native and coloured population is over 5 millions. The former own about 230 million acres of land, the latter about 27 million acres. The natives are also, by an Act of 1913, forbidden to acquire land from the white man, except in their own reserved acres. The colour question is urgent not only in regard to the land, but also in regard to industry. The gold mines, for instance, employ 15,000 highly-paid whites, and about 200,000 natives; the average white wage is 18s. 7d. per shift, the average coloured wage 2s. 8d. per shift. South Africa has thus not merely a small capitalist aristocracy divided against itself on racial lines, and beneath it a discontented white proletariat; but also beneath that lies a greater and more legitimately discontented *coloured* proletariat. Thus all the evils of imperialism in Africa have here come home to roost.

NORTH AFRICA

The northern coast of Africa during the nineteenth century was fringed with decaying Moslem states, remnants of the Ottoman Empire, that offered a rich prey to European imperialism. The rulers of these states were sufficiently near to Europe to be easily dazzled by the offer of loans of money for extravagant expenditure; at the

same time their territories were disorderly, their soil fertile, and their defences weak. As long ago as 1830 France had been the first to gain a footing here by the annexation of Algiers to stop piracy. At first its economic value was hardly realized, but by the end of the century order had been established and irrigation begun. To-day Algiers is France's best customer and her most valuable colony. But its European population—less than one-sixth of the native inhabitants—shows a tendency to decline.

From Algiers France was able to seize Tunis. The Bey of Tunis was induced to borrow freely from foreigners, until in 1896 he went bankrupt owing 6½ million pounds. France, Italy and Great Britain then formed a financial commission to regulate his affairs, and in 1881, on the pretext of internal disorder, Jules Ferry executed his *coup de Bourse* and had Tunis overrun with French troops and annexed. Great Britain and Germany raised no objection, but through her action France gained the hostility of Italy, who in the following year joined the Triple Alliance—another step towards eventual European War.

A little later, however, France and Italy were able to adjust their African difficulties. France now had her eyes on Morocco, her neighbour to the west of Algiers. Italy was squared by an agreement in 1900 giving her a free hand in Tripolis and Cyrenaica; England by the Entente Cordiale in 1904 leaving her in sole charge of Egypt. France and Spain then divided Morocco by secret treaty into separate zones, Spain taking the North, and France the South. There remained the Sultan of Morocco, who knew nothing about the bargain, for the two powers made a

public declaration that they were "firmly attached to the integrity of the Moorish Empire under the sovereignty of the Sultan." He was induced, however, to follow the same course as the Bey of Tunis, and borrow from the bankers of Paris till he could no longer pay the interest. Then, just as France was about to pounce, Germany, who had been left out of the picture and not squared, suddenly intervened to reaffirm Moroccan independence. War was only avoided by the summoning of a round-table conference at Algeceiras in 1906. The result of this conference was a new scheme of exploitation, in which several nations were to share. German, French, Spanish and English capitalists and financiers were all to share in the management of Moroccan finances and government. At the same time the German intervention which had brought this about was resented both by Britain and by France; the two countries drew closer together and began to prepare for a European War.

In Morocco, however, France went on as if nothing had happened. Civil war broke out and a usurper claimed the Sultanate. France lent him money and occupied Casablanca and Fez (1911). The plans for co-operation between French and German capitalists in Morocco had come to nothing, and the German government intervened a second time to demand her share of the spoils, sending a cruiser to seize Agadir (1911). This second Moroccan crisis again brought England into line behind France. Though the quarrel was patched up by a French promise to keep Moroccan trade open to all nations, and by the cession to Germany of part of the French Congo, the war-atmosphere was intensified still further.

France and Spain were now free to divide up Morocco without further pretence. Both countries found themselves involved in long and expensive guerilla wars with the Moors. But in 1912 the Sultan was compelled to sign a treaty accepting a French protectorate. French capital was then introduced on a large scale, and railways and roads constructed. By respecting the religion and customs of the Moors the French have managed to pacify the country and make it profitable to themselves by enjoying two-thirds of its commerce.* Spain, however, was far feebler in her methods and has recently been engaged in a long desultory war against the Riffs.

In 1900 France had secured a free hand in Tunis from Italy by recognizing the latter's interests in Libya. Italy's imperialism was fostered by her total lack of natural industrial resources and raw materials at home, and by her overflowing population. She took good care to square the other European powers before showing her hand. She then proceeded to penetrate peacefully the two provinces of the Turkish Empire, Tripolis and Cyrenaica, lying opposite her to the north coast of Africa. Banks were the special agents of Italian imperialism, investing capital in the coveted territory. When the Agadir crisis arose in 1911, Italy acted. She complained to the Turkish Government of the "disorder and neglect" which prevailed in Tripoli, and the

* Perhaps their most notable achievement has been the settling of the land problem, which appeared almost insoluble owing to the mixing of primitive tribal collectivism with private ownership. Marshal Lyautey re-established the Berber tribal ownership in a modified form and made the State an intermediary in all cases of transfer of land to private ownership. Thus a compromise was effected between primitive and modern land systems.

consequent harm done to Italian business interests. She then invaded Tripoli, and war with Turkey followed. It was protracted till Turkey became involved in the Balkan Wars of 1913, and was only too glad to cut her losses and cede the two provinces to Italy. But the new acquisition—since somewhat extended—has proved barren and unprofitable. It has always involved the Italian government in a direct annual loss, sometimes greater than its total annual trade. Only the profits of Italian banks have benefited.

Further east of Libya lay Great Britain's share of the partition of North Africa—Egypt. The causes of our original attraction to Egypt, and our predominant interest there to-day, are strategic rather than economic. The Suez Canal is vital to our sea-communications with India. It was only after the French engineer de Lesseps had constructed the Canal (1869) that British imperialist ambitions were roused. The method of financial penetration usual in the case of North African states was followed by France and England. Between 1865 and 1873 Ismail Pasha, the Turkish Viceroy of Egypt, ran up nearly a 100 million pounds of debt to foreigners, mainly French and English. His credit sank lower and lower and in spite of oppressing his subjects by heavy taxation, he was driven to sell his shares in the Suez Canal enterprise, which were bought by Disraeli for Great Britain in 1875 for £3,680,000. Even this did not prevent Ismail's bankruptcy next year. An International Debt Commission was then set up, and French and English ministers appointed by Ismail to help him set his finances in order. But in 1879 he kicked over the traces and dismissed his foreign ministers, thus provoking open

foreign intervention. The foreign bondholders brought pressure to bear on their governments, and France and England persuaded Turkey to depose Ismail. A new tame Viceroy was appointed in his place, and from 1879 to 1883 Egypt was under the "Dual Control" of the two interested nations.

But in 1882 a wave of anti-European feeling swelled up, and Egyptian nationalism found its leader in an army officer, Arabi Pasha. Great Britain took on herself to suppress this outburst, and the bombardment of Alexandria was the work of the British fleet alone, for the French only looked on and sailed away. The bombardment took place while Gladstone was in office, and showed how powerless even the anti-imperialist Liberals had become to stem the imperialist tide. Gladstone declared that British action in Egypt was aimed only at "the maintenance of established rights," i.e., the 30 million pounds of Egypt's debts held by British subjects. But Dilke and others were more open in emphasizing strategic considerations; "the dominance," he said, "of a purely military faction at Cairo must place our communications with India and the East in permanent jeopardy." At this time about one-eighth of the whole of British foreign trade passed through the Suez Canal. So in 1883 Great Britain took sole charge of Egypt and drafted a constitution for her, under which the Khedive and his Legislative Council and Assembly were controlled by British "advisers" acting under the direction of the British Consul-General at Cairo. The first British Consul-General was appropriately connected with a great banking family—Evelyn Baring, afterwards Lord Cromer.

Now British rule in Egypt has unquestionably

been beneficial in the economic sense. The construction of the great Nile dam at Assouan assured the peasants of a greater and more regular supply of water for irrigation purposes. Punishment by flogging and forced labour on public works were abolished. Railways were constructed and schools opened. Population and cotton-production doubled. The "fellaheen"—the poorest class of the population—benefited from losing the rule of their alien and corrupt upper class. But the effect of British rule combined with a rising standard of civilization has been to stimulate that upper class to a fiercer nationalism. The nationalist movement—mainly the work of the Egyptian bourgeoisie stimulated by religious as well as economic motives—had already grown to formidable proportions before 1914. Since 1914 it is safe to say that Britain has owed her Egyptian troubles to her own mistakes. The declaration of a British protectorate over Egypt in that year was in flat contradiction to the claim made ever since 1883 that the occupation was only temporary. In spite of Egypt's loyalty to Great Britain during the War, her political leaders were flouted at its conclusion and forcibly prevented from presenting Egypt's case before the Peace Conference. As a result Egyptian nationalism gained ground to such an extent that in 1922 the protectorate was formally withdrawn and Egypt was allowed her own internal self-government. But certain matters, including Egyptian foreign policy, the garrisoning of the Canal and the government of the Sudan, were reserved for British control. On their side the Egyptian nationalists have proved incapable of statesmanship, and lost an opportunity of a settlement with the Labour government of 1924. A second opportunity has

again recently been let slip, owing to British insistence on maintaining troops in Cairo and Alexandria.

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CHAPTER III

IMPERIALISM IN ASIA

ASIA has throughout history contributed far more to civilization than Africa. Consequently European imperialism has taken in Asia forms rather different from those employed in Africa. There has been less direct annexation, less brutality to native populations; more indirect financial penetration; and the same rivalry and scramble for concessions between the powers concerned.

THE NEAR EAST

In the first place, the crumbling empire of a non-Christian people, lying adjacent to Europe in an important strategic position, provided a natural field for European imperialism. All through the nineteenth century Turkey was shedding provinces which became independent states—the Balkans in Europe, Egypt and Morocco in Africa. Russia had her eyes on Constantinople, Britain had taken Cyprus, France had her traditional sphere of influence in Syria. But it was the entrance of Germany into the field that directed the attention of the powers to Turkey-in-Asia. Germany came too late into the field to share adequately in the partition of Africa, and she turned to the Near East for compensation. Wilhelm II paid two personal visits to Abdul Hamid, and the outcome was a scheme to provide Turkey with railways by German capital. The first German enterprise—

the line from Constantinople to Angora—was begun in 1888, financed by German banks.

This line was the germ of the Baghdad railway scheme, which was discussed all through the nineties. In deference to France, Russia and Britain, alterations were made in the proposed route, and the actual contract to build the railway was not signed till 1903. It was planned to run through the south of Asia Minor via Konia, Adana, Nisibin and Mosul to Baghdad, and thence on to the Persian Gulf at Basra—a distance of some 2,400 miles in all. The line was to be constructed by a German-promoted Company, but mortgaged to the Turkish Government, which was to issue to European investors bonds for 275,000 francs per mile constructed. Also the Turkish government was to guarantee the railway receipts, and grant the Company not merely a free right of way for the line, but also the exploitation of all minerals found within twenty kilometres on each side of it! Such was the famous concession which was intended to open up the whole mineral wealth of the Near East to European capitalists.

At first the Germans made efforts to persuade French and British capitalists to join in with them in the venture, each taking up a quarter of the stock and sharing in the directorate. But for some reason still obscure, both France and Britain refused to take the opportunity; in our case there may have been the fear that the project would menace our hold on the Suez Canal or even ultimately our rule in India. However, at this stage there was no open opposition to the scheme, even from Russia who disliked it most. The capital was raised in Germany itself, by the most blatant boasting of the immense natural wealth and fertility of the "Garden of Eden"! The first

section of the railway had been completed (1904) and the second was about to be commenced, when the Young Turk revolution broke out (1908). This was a serious drawback, for it meant that Germany had to begin all over again making friends with the Turkish government, which was more friendly to France and Great Britain.

However, by a fresh series of agreements, the interested parties were once more brought to a settlement. Russia, in a fit of pique at lack of support from France and Great Britain during the Bosnian crisis of 1908, agreed to abandon opposition to the Railway, if Germany recognized North-West Persia as a Russian sphere of influence. Then, by a secret agreement with France (February, 1914) all French capital in the Baghdad Railway was bought out by the Deutsche Bank, and set free for the building of railways under French control in Syria and Anatolia. Finally, in July, 1914, agreement was secretly reached with Great Britain whereby the Railway was to terminate at Basra, whilst the oil of Mesopotamia was to be reserved exclusively for British exploitation. This agreement was initialled, but never ratified or made public. Taken altogether the agreements signified that the European capitalists had struck a bargain for the economic partition of Turkey-in-Asia.

But the war upset the balance of influences which it had taken so long to reach. During the war various secret treaties were arranged between the Allies for re-dividing the spoils of the Near East. Some of these, such as the allocation of Constantinople to Russia, came to nothing because of the Russian Revolution. Others, such as the allocation of part of Asia Minor to Italy, were dropped in the Peace discussions. The abortive Treaty

of Sèvres (1920), which re-drafted the partition of Turkey, was largely annulled by the Turkish Nationalist revival under Mustapha Kemal. As for the Baghdad Railway itself, German interests were of course confiscated, and it was broken up into a series of fragments. The sections running through Syria were taken over by a French Company; the sections in Mesopotamia by the British; whilst what lay in the territory of the new Turkish Republic reverted to Mustapha Kemal's government. Thus Great Britain achieved her object and broke the threatened chain to the East.

Hardly, however, was Germany out of the way than an entirely new imperialist power appeared in the field—the U.S.A. Surrounded by a circle of enemies Mustapha Kemal was only too pleased to encourage American at the expense of European capitalists. Therefore in 1923, the Turkish government signed the "Chester" Concession giving the Ottoman-American Development Company the right to construct railways connecting Angora with the Black Sea at Trebizond, the Mediterranean at Alexandretta, and Mesopotamia through Mosul—over 2,700 miles in all. This last provision brought the new concession into conflict with British interests. The proposed line through Mosul would give the new Company the right to exploit the minerals for twenty miles on each side of the line. But the oil in Mosul had been promised to Great Britain by Germany in 1914, and the Turkish Petroleum Company (mainly British), stood by the bargain. Though the U.S. government was not prepared to back the Chester concession openly, Great Britain found herself involved in an ugly quarrel with the new Turkey over the ownership of Mosul, which really turned

on the oil question. Was Mosul part of Britain's mandate in Irak, or had Mosul a right of self-determination in joining Turkey? Eventually the League of Nations arbitrated between the rivals and awarded Mosul to Great Britain by including it in Irak. The Turkish Petroleum Company was granted a 75 year lease of the Mosul oil wells, and in 1925 American oil interests (Rockefeller, Sinclair and Doheny) were admitted to a 25 per cent. share of its capital; the remaining 75 per cent. was divided equally between French interests, the Anglo-Persian Oil Company (British) and the Royal Dutch Shell (Dutch and British).

THE MIDDLE EAST

In the Middle East as in the Near East the story of modern imperialism is the story of the substitution of one set of competing interests for another as a result of the Great War. The Middle East comprises those countries lying between Turkey and China, i.e., Persia, Turkestan, Afghanistan and Tibet. These are the borderlands of India, and from the Crimean War down to 1914, were of interest only to the European powers concerned with India, namely Great Britain and Russia. They were considered barren, backward and inaccessible, and not worth the attention of Western capitalists. It was the deliberate policy of Great Britain to keep them undisturbed and undeveloped, to act as shock-protectors for India. But the policy of Russia was more aggressive, to offer them loans to build them railways, in order to improve their means of communication and bring Russian influence nearer the Indian frontier. Thus on both sides strategic rather than economic motives ruled the situation.

In the last quarter of the nineteenth century Russia began to encroach on the northern boundaries of Persia and Afghanistan. To counteract this Great Britain fought several Afghan wars and from 1881 onwards took into her pay the Emirs of Afghanistan and dictated to them their foreign policy. On the other hand Russia gradually occupied and civilized Turkestan, first building railways across it right up to the frontiers of Afghanistan, and later developing it as an important cotton-growing area. In 1905 Britain retorted by declaring that she would regard as an act of aggression any attempt to build railways in Afghanistan in connection with the Russian railways. So Afghanistan remained without railways. But this deprivation of the benefits of civilization has proved a blessing in disguise. At the end of the Great War in 1919 a revolution occurred in Afghanistan, the pro-British Emir was shot, and the present King Amanullah took his place. Amanullah was at first strongly under Russian influence, and not only shook off British control but engaged in a short-lived war with the British in 1922. As a result Afghanistan gained complete independence of both Britain and Russia, and Amanullah has shown his wisdom by refusing so far to build railways or develop his country's resources except with *native* capital.

Tibet, the most isolated of all countries was drawn into the Anglo-Russian struggle after 1900. On hearing that a solitary Russian had managed to penetrate to the Dalai Llama's court in 1901, Britain sent the Younghusband "mission" to force its way to Lhasa, the "Forbidden City" in 1904. Tibet was forced to throw open certain trading stations and pay an indemnity. After the Chinese revolution in 1911 Great Britain again

interfered to prevent China from incorporating Tibet in the new republic.

In Persia, Russia was the aggressive power, trying to penetrate by the usual process—lending money to the Shah. On the other hand Great Britain stood more on the defensive; in 1903 Lord Curzon, as Viceroy of India, contented himself with staking out a claim in Southern Persia by declaring it essential to British security that no naval base should be established on the shores of the Persian Gulf. But after the Russo-Japanese War, Russian aggression was weakened and Russian Liberalism temporarily in the ascendant. Accordingly the two imperialist rivals found it opportune to come to an agreement over the whole Middle-Eastern question. In the Anglo-Russian Convention of 1907 they agreed in a solemn preamble "to respect the integrity and independence" of Persia; then they proceeded forthwith to divide her up into the zones, a northern area to be reserved to Russian influence, a southern area to be controlled by Britain, and a central area to be kept neutral or open to the exploitation of both. No third party was to be allowed to interfere at all in Persia. Germany, who showed signs of becoming interested in Persian commerce, was bought off by Russian recognition (1911) of the Baghdad Railway scheme. The convention of 1907 also dealt with Tibet and Afghanistan, recognizing a stalemate in which neither country was to be opened up by Western capital.

Now Persia—the only interested party not consulted in this convention—proved an unwilling victim. The gradual growth of Western influences produced the usual effect, namely the stirring of a sense of nationalism in the small educated upper class. Thus in 1906 the Shah was forced by a

revolution to set up a parliament or Mejliss, which three years later deposed him for his subservience to Russia. Russia then intervened to subsidize civil war in Persia, by arming and equipping the ex-Shah. But in 1911 the Nationalist Persians took an unusual step—almost unique in the history of imperialism. Finding themselves boycotted in Europe in their search for financial help, they appealed to the one apparently disinterested power outside Europe, the U.S.A. Unofficially the U.S. Government recommended Persia to appoint Morgan Shuster as its treasurer-general. At once Shuster went out to Persia and took up the post, eager to introduce reforms and set the country on its feet. But both Russia and Great Britain determined to make this impossible. Russia refused to recognize Shuster's position at all. The ex-Shah was again encouraged to stir up disorder; Russian troops invaded Persia and occupied Tabriz; and Shuster was expelled. Anarchy and weakness, promoted by the interested powers, continued to be Persia's fate down to 1914.

In the meantime a new chapter of Persian history had been opened by the discovery of oil by D'Arcy in 1901. At the moment this caused no sensation and for some time progress was slow; but in 1909 British capitalists formed the Anglo-Persian Oil Company (present capital 24 million pounds) to exploit concessions obtained from the Shah, and in 1914 the British Government took control of this Company to secure an oil supply for the Navy. During the Great War Russia dropped out of the picture, and after the Revolution one of the first acts of the Soviet Government was to repudiate the 1907 Convention. Thus Great Britain found herself in a position in 1919 to assert what practically amounted to a pro-

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tectorate over Persia—by a treaty which provided for control of Persian finance by British experts and a British loan of two million pounds for railway building, etc. But a second time Persian nationalists threw off the yoke. Russia was beginning to play a new part in Persia—as in the rest of the Middle and Far East—in propagating Communism. Too weak to play the game of military imperialism, and lacking the capital necessary for economic imperialism, she introduced a new imperialism of “ideas.” A backward country might be brought under Russian influence through the domination of a few converts to Communism. This policy has been tried extensively all over the Middle and Near East and in China. It succeeded in Turkestan, but in Persia, Afghanistan and elsewhere merely assisted these countries towards independence. The energetic usurper Riza Khan was able to play off British against Russian influence in Persia and to appeal a second time for American help. This time, however, it was not the disinterested Mr. Shuster, but the highly-interested Standard Oil Company (capital 75 million pounds) that responded. This American company was granted part of the concession formerly given to the Anglo-Persian Oil Company. So the two rival interests stand facing each other over the oilfields, whilst Persia maintains her precarious independence by holding the balance.

INDIA

British India is the greatest experiment in imperialism ever known. Nowhere else has a whole continent—for India is almost this—teeming with various races and conflicting religions and customs, been so dominated and exploited by a single power separated by a distance of thousands

of miles. And in comparison with India the rest of the British Empire itself seems small; for India accounts for 300 out of its 417 million inhabitants. It is not too much to call India the pivot of the whole Empire, first for economic, and second for strategic reasons. We went to India originally to trade, and to-day India is Britain's greatest overseas market. In 1925 she took 86 million pounds of our 773 million pounds' worth of exports, giving first place to the produce of our two leading industries, cotton and iron and steel, with machinery, railway rolling-stock and motor-cars following behind. No doubt the consumption of British goods per head of the population is small (under 5s. in 1926-7 compared with nearly £10 in Australia, nearly £3 in Canada, and 9s. in Germany and France); but as India draws 60 per cent. of all her imports from the U.K., a very small increased consumption per head would mean a big rise in British exports. On the other hand, India sends about 25 per cent. of her exports to Great Britain, including some 25 million pounds' worth of tea, as well as jute, raw cotton, flax, leather and other raw materials. India has been a most profitable field for the British investor. Besides the Indian National Debt (some 700 million pounds, mostly held by British capitalists), much British capital is invested in the 5,194 companies incorporated in India; even before 1914 it was estimated that these investments stood at nearly 400 million pounds.

Having entered India originally for trade alone, the British were gradually drawn on to territorial annexations. So during the nineteenth century India became strategically as well as economically the heart of the Empire. Now the East India Company was totally unfitted for territorial

responsibility. Yet the taking over of the administration of India by the home government in 1858 after the Mutiny was not the end, but the beginning of an era of expansion. British India was then less than half the size it is now. At first progress was slow ; from 1861 to 1881 only 19,000 square miles were annexed. But in 1876 Disraeli ushered in the new imperialism by encouraging Queen Victoria to assume the title of " Empress of India," and between 1881 and 1901, 233,000 square miles were annexed ! Thus from 1876 onwards Britain more openly engaged in territorial expansion, using the excuse that India was so disunited geographically and politically that she could not protect herself from foreign invasion and occupation if British control were removed. However, this argument for protecting India has also served to justify British penetration into the countries fringing India, namely Burma, Tibet, Afghanistan, Persia and even Egypt. But it is a curious fact that this British domination has itself been the means of rousing nationalist movements in the countries affected, and in the case of India beginning to cure her of her political disunity.

The Indian nationalist movement has indeed grown step by step with the consolidation of British imperialism. Every benefit conferred by Western civilization had been used in reaction against it. Britain has introduced an educational system into India (some 160,000 elementary and 9,000 secondary schools). But on the one hand this has produced a small native aristocracy eager to replace Englishmen in the rule of India, and on the other hand it has left them armed with the argument that, even with all these schools, 93 per cent. of the population remains illiterate under

British rule. Again, in spite of all the British capital sunk in Indian railways, roads, mines and irrigation works, the undoubted fact persists that 66 per cent. of the population live on the verge of starvation at the lowest possible level of poverty, threatened by famine and pestilence. Also the introduction of Western machine industry has had the effect of killing native "cottage" industry and making India an importing, instead of an exporting country, so far as textiles are concerned. No wonder it has seemed as if Western industrialism penetrated India simply in order to exploit India for the benefit of Great Britain! In 1923 there were 6,000 factories and mills in India employing a growing town proletariat at wages substantially below European levels (e.g. in 1921 in Bombay 17s. 6d. per week for men, 8s. 6d. per week for women on the average).

No doubt Indian nationalism would have grown faster but for its own internal difficulties. Out of India's 300 millions of people, over 200 millions are Hindus by religion and 70 millions Moslems, whilst the Burmese and Singalese are Buddhist. Not only are these religions hostile to each other, but the Hindus are themselves divided into castes which raise social barriers between classes far more rigid than anything known in the Western world. Add to this that Hinduism is undoubtedly responsible for many degrading superstitions which depress the level of civilization in India—and in particular keep down the status of women—and one sees that India has far to go yet on the path of democratic self-government.

The first Indian National Congress was held in 1885, consisting of a few Hindus with Western education who wished to achieve a moderate form of home rule. Their agitation received an

impetus from the arbitrary division of Bengal by Lord Curzon (1905) into two provinces. Up to 1905 the government of India was entirely undemocratic, and Indians were admitted only to the lower positions in the civil service. But in 1909 Lord Morley, together with Lord Minto, then viceroy, introduced a constitution making Indians eligible for the higher executive posts and enlarging the "legislative councils" by adding non-official Indian elected members to sit alongside the nominated official members. But these councils were entitled merely to pass resolutions and criticize the government, without any power to act themselves. The reforms were denounced as inadequate by the nationalists and proved thoroughly unsatisfactory.

For many years Indian nationalism was confined to Hindus only, and Indian Moslems took no part in it. But in 1912 the Moslem League was founded, and the Great War helped to bring it into alliance with the National Congress. In 1916 both organizations combined to demand self-government for India, to be conceded in gradual stages spread over fifteen years. The agitation which followed forced the British government to make further concessions in the Montagu-Chelmsford reforms of 1919. Once again, however, the reforms passed proved too modest to satisfy Indian nationalist opinion. Under the new constitution a central legislature was set up with two houses, a Council of State and a Legislative Assembly. In both houses British officials were to be in a minority. In the central Legislative 104 out of the 144 members are elective, but the electorate totals less than 1 million out of 247 millions in the British provinces. The electorate is divided into classes, so that Moslems, Hindus

and Europeans vote separately, whilst landowners, traders and education have also their own representation. In a word, Indian representation is here functional rather than territorial. More important however than ~~the~~ constitution of these assemblies are their powers. The experiment was tried of dividing the functions of government into two groups—those relating to education, health, agriculture, etc., and those relating to police, defence and law. The former were entrusted to the new councils, the latter "reserved" to the British officials. This was the system of "dyarchy" or joint rule, an attempt to find a half-way house to home rule.

The Montagu-Chelmsford reforms merely opened a new chapter of nationalist agitation. They were accompanied by a stiffening-up of the machinery for crushing "sedition," such as the passing of the Rowlatt Act, and—more serious still—by the massacre perpetrated by General Dyer at Amritsar in the Punjab. General Dyer, the military governor of this district, lost his head and used machine guns to prevent unarmed civilians from holding a mass meeting. His troops fired till their ammunition gave out, leaving 400 dead and 1,500 wounded Indians on the field. General Dyer's action, though it led to his recall from India, was supported and justified in the House of Lords, and he was presented with a testimonial of £25,000 by admirers in England. The effect of this action on Indian opinion can well be imagined!

Indian Moslem discontent also was fanned by the events of the Near East in 1920, when the Allies were threatening by the Treaty of Sèvres to partition the Turkish Empire. Moslem fanaticism was roused to defend the Turkish Sultan in

his capacity as Caliph, or spiritual head of Islam. So, under pressure of this discontent, a temporary fusion was effected between the Moslem and Hindu Nationalist forces. A leader suddenly appeared in the person of Mokandas K. Gandhi, a saintly Hindu with a Western education and a pacifist philosophy of revolution by "moral force."

Gandhi's method of achieving Indian "Swaraj" or self-government was "Non-Co-operation" with the British government—or a political, educational and economic boycott of everything British. The first meant a refusal to work the Montagu-Chelmsford reforms, but the last was the most powerful weapon of the three. Indians were instructed to cease to buy British cotton goods. If every Indian, Gandhi taught, spun the cloth he needed per year (13 yards) on a hand spinning-wheel, 4,000 million yards of cloth would be produced in India, and British imports would be eliminated. So the basis of British imperialism in India would collapse, while a blow would be struck at the same time against Western industrialism and materialism by oriental simplicity and mysticism. But the ambitious economic boycott was never made complete. Though India's imports of cotton goods declined, her educated nationalists did not take to the spinning wheel with complete single-heartedness. Industrialism in fact was already entrenched in India herself, and the clock could not be set back at this stage.

The next stage of non-co-operation included refusal to pay taxes, use British law-courts, or obey British laws. Just as this was about to begin, Gandhi was arrested and thrown into prison for two years. When he came out in 1922 his influence was on the wane and the nationalist

leadership had passed into other hands. During this time, too, the Caliphate agitation among the Indian Moslems had collapsed; for the Turkish Nationalists had not only made peace with Europe, but had themselves deposed the Caliph and abolished his office. Very soon the breach between Hindu and Moslem reappeared, and the Swarajists became divided among themselves, one section declaring in favour of giving the new legislatures a trial, while the extremists held entirely aloof from them.

The central legislature and some of the provincial legislatures were eventually brought into working order. In the former the Swarajists tried rejecting the Budget and other ways of making the government machinery unworkable, but without success, as the British executive could act over their heads. There was therefore an ebb of militancy in the Indian Nationalist movement down to last year, when the British government suddenly announced its intention of investigating the working of the Montagu-Chelmsford reforms two years before their period of probation expired (1929). In the autumn of 1927 a Parliamentary Commission under the chairmanship of Sir John Simon was appointed to undertake the enquiry. Indian opinion was alienated from this Commission from the start by the absence of any Indian representative on it, by the tactless handling of Indian liberals by the India Office, and by the obscurity with which the purpose and procedure of the Commission were at first surrounded. Nevertheless the Commission has the backing of all three political parties in England, and some important forces (such as the "depressed classes") in India.

SOUTH-EAST ASIA

To the east of India a long peninsula juts out southward into the Pacific. It was in this peninsula that French imperialism in the nineteenth century sought for compensation for its exclusion from India by the British in the eighteenth century. The enterprise of Catholic missionaries and their subsequent martyrdom provided the excuse for French penetration into Cochin-China, which was annexed in 1862, and into Cambodia, which followed next year. In 1873 French expeditions began to penetrate into China from the south up the Red River. Annam, a dependency of China, was induced to accept a protectorate at the hands of France, and China, which had not been consulted, was forced as a result of the Franco-Chinese War (1883-5) to recognize this protectorate and the annexation of Tonkin. Later, French Indo-China was rounded off by the acquisition of Laos. Here then is a rich rice-growing region larger than France herself with 20 million inhabitants. But these inhabitants are as poor as those of India, whence come their chief imports in the form of cheap cotton goods. Only 28 per cent. of the external trade of Indo-China is done with France herself.

French imperialism in Indo-China provoked British imperialism in Burma—on the ground of the necessity for protecting India with a circle of buffer states. Great Britain intervened in Burma to prevent its King Theebaw from encouraging French traders and concessionaires; the country was annexed in 1886. But Siam, Burma's next-door neighbour, managed to retain a show of independence. Though forced to shed portions of its territory on the east to France, and

on the south (Malay Peninsula) to Britain, it escaped complete absorption by admitting foreign "advisers" from several countries at once to manage its law courts, police and foreign affairs. Siam is relatively more prosperous than British India or French Indo-China, exporting more goods per head, possessing more miles of railway per inhabitant, and educating a greater percentage of her children than either.

Further to the south of Siam lies British Malaya, to-day the most important rubber-growing area in the world, giving the British Empire its virtual control over the world's raw rubber supplies. British trading stations were first planted on the Malay coast over a century ago—at Penang (1786), Malacca and Singapore (1842), known as the Straits Settlements. Then the native states occupying the hinterland were gradually reduced to dependence, and about fifty years ago passed under British "protection." Finally, in 1909, Great Britain took over control of the last of the states from Siam. Tin deposits were originally the attraction in Malaya. In 1914 there were 80 tin-mining companies in Malaya, with mainly British capital, employing 114,000 workers, mainly Chinese coolies imported under indenture. Their wages average 1s. 2d. per day. It is significant that the development of Malayan tin-mining has coincided with the decay and disappearance of tin-mining in England!

But since 1900 rubber-growing has developed and taken first place in Malaya. Between 1905 and 1922 the acreage under rubber in the Federated Malay States increased from 40,000 to over 45 million acres; and in 1925 Malaya produced 195,000 out of the world's supply of 450,000 tons of rubber. The land has been mapped out into

huge plantations, under some 300 British Companies with a capital estimated at about 100 million pounds. The labour supply has been drawn chiefly from India or China, at wages of about 1s. a day (1925); but the supply is proving inadequate to meet the demand. This, together with a too rapid scramble to capitalize rubber-growing led to over-production of rubber and consequently to violent fluctuations in its price (e.g. 12s. 9d. per lb. in 1910, 8d. per lb. in 1921). Therefore in 1922, after a report from a committee set up by the Colonial Office, the export of rubber from British Malaya and subsequently the output of rubber-growers were restricted with the intention of stabilizing prices at about 1s. 3d. a lb. This action emphasized the conflict of interests between the British Empire, as the producer of over half the world's supply of rubber, and the United States, which consume over three-quarters of that supply. In 1925 Congress passed a resolution that "the production and supply of rubber for the U.S. is artificially controlled, and the price dictated by a monopoly created and operating beyond our borders." Threats were made that U.S. bankers would organize a credit boycott of foreign monopoly industries, and systematically discourage home consumption of their products. And efforts have not been spared to find sources of rubber outside British Malaya; in particular the rubber output of the Dutch East Indies has been drawn upon until it has increased to a level near that of British Malay (175,000 tons in 1924). But with all this, the dependence of the United States on foreign rubber has not yet been modified. The rubber restriction in British Malaya however is to be withdrawn in November 1928.

The Dutch East Indies, which include the great

islands of Sumatra, Borneo, Java and the Celebes, form the third largest colonial empire in the world so far as population (50 millions) goes. This is a relic of the older imperialism of the seventeenth century. Holland has retained these possessions principally because the mutual jealousies of other powers have prevented them from attacking her. Her record in the handling of the natives has improved from a bad beginning. From 1830 to 1880 the Dutch practised a system of forced labour in the islands—called the "culture system"—to develop sugar, coffee, tea, tobacco and spice-growing. This system involved terrible cruelty and oppression of the native, but was gradually relaxed towards the end of the century in favour of a system of "free labour" induced to volunteer by pressure of taxation. This was accompanied by the development of education, along native rather than European lines. Native languages, literature and customs were encouraged, and in 1917 a step was taken towards self-government in the setting up of central and local assemblies, including native representatives, to advise the Dutch governors. In spite of all this, however, the recent outbreaks of Communism in Java show that the Dutch have not solved the native labour problem. Much British capital is invested in Dutch rubber companies, and the discovery of oil in the islands has led to a further cementing of the alliance between British and Dutch interests (Royal Dutch-Shell).

THE FAR EAST

European relations with the Far East during the past century have passed through two phases. From about 1840 to 1880 Europeans were striving

to make contracts with China and Japan for purposes of trade. Their demand for "the open door" was opposed by China's age-long sense of self-sufficiency, pride in her own civilization and unwillingness to admit the "barbarian" on to an equal footing. Chinese civilization was contemplative, pacific and decentralized, the very opposite of European civilization, which was active, militant, materialist and centralized. The misunderstanding between East and West created an issue which was decided by force. Europe demanded that China should come down off her pedestal and conform to the standards of Western capitalism.

The wars fought to break down the barrier of Chinese exclusiveness included the "Opium" wars of 1839-42 and 1856-58. By the former the British gained possession of Hong-Kong and opened five Chinese cities to European trade, as "Treaty Ports." By the latter nine more ports were opened and British supervision was established over the Chinese customs. The right to propagate Christianity in China also played an important part in these troubles. The fact that the Taiping Rebellion (1850) against the Manchu government was led by a Christian convert naturally made Chinese opinion hostile to foreign missionaries. It was South China that was chiefly affected by Christian propaganda and European influences generally. The North remained more conservative, and so a breach gradually widened between North and South.

England, France and Russia had taken the initiative in the forcible penetration of China; in 1858 and 1860 the latter annexed a large slice of Northern China and incorporated it in Siberia. In the meantime the "open door" had been

forced upon Japan (1854) by the United States, by the usual means of treaty ports and extra-territorial rights for foreigners. But Japan between 1867 and 1889 underwent an extraordinary social revolution, deliberately westernizing herself under the leadership of her feudal aristocracy. By absorbing European civilization she not only secured the maintenance of her independence and control over the development of her own resources; but in 1876 she began playing the same game of imperialism as the European powers, by forcing the "open door" upon Korea.

After 1880 a new stage began in Chinese history. It was now not enough for the foreign powers merely to seek markets in China. They regarded her as a field for the investment of capital, for the leasing of concessions, and for the staking-out of "spheres of influence" or monopolized markets. For instance, in the case of Great Britain, up to 1885 China was chiefly important as a market for Lancashire cotton goods (about 500 million yards of cloth a year); but afterwards, the supply of railway materials and machinery took first place.

The process of whittling away Chinese territory now began in earnest. France encroached from the South (Annam), Great Britain from the West (Burma and Tibet) and Russia from the North (Siberia and Manchuria). In 1894 Japan joined in and tried to secure a definite foothold on the North-East coast. After defeating China in war she declared Korea independent and annexed a piece of Manchuria. Suddenly Russia, France and Germany united to stop this forestalling of their own ambitions. Under the guise of protectors of China they compelled Japan to refrain from annexing any mainland territory. Then, in return for this protection, they squeezed various

concessions for themselves out of China. France gained the right to exploit all mines and railways in Southern China, and Germany the same in Shantung. Russia undertook to capitalize the construction of the Chinese Eastern Railway connecting Vladivostock with Siberia through Manchuria. Japan took a large money indemnity, and British (together with French, German and Russian) banks arranged a loan of 48 million pounds to the Chinese government to pay it with.

Almost immediately after this took place another scramble for the "leasing" of Chinese ports. The murder of two missionaries gave Germany the pretext for extorting (1897) a lease of Kiaochow for 99 years. Russia then leased Port Arthur and the peninsula of Liao-tung (the territory which Japan had previously coveted), and Great Britain secured, in the same manner, Wei-hai-wei. It now looked as if China would fall into several distinct "spheres of influence" and thereafter be partitioned in much the same way as Africa.

The movement to reform and westernize China was already gathering strength, but received a severe setback from the events of the Boxer Rising (1899). Indignation against the supineness of the Chinese Government was skilfully diverted by the Manchu rulers into a blind nationalist and anti-foreign outburst. Led by a religious sect known as "The Boxers," the Chinese attacked and killed Christian missionaries and converts, and looted the foreign legations.

But unluckily for China the imperialist powers which had shortly before been squabbling among themselves over the spoils, happened at this moment to be united. Russia, Britain and Germany had just succeeded in delimiting the

areas within which each was to construct railways, with the result that China was provided with several different systems, while the United States found the field closed to its own capitalists. So when the Boxer Rising occurred, an international army under British and German leadership promptly invaded China to save the legations and restore order. Peking was entered and sacked, and an enormous indemnity of 80 million pounds was imposed on the Chinese government.

During the crisis Russia seized her opportunity and occupied Manchuria with troops, which she refused to withdraw. This action broke up the unity of the powers and led direct to war between Russia and Japan (1903-5), the latter gaining the support and alliance of Great Britain. But Japan's success in this war, whereby she displaced Russia in Port Arthur and Liao-Tung peninsula, earned her the jealousy of the United States. After the Russian War, Japan occupied Korea and annexed it in 1910.

By now the industrialization of China was beginning (between 1890 and 1911 32 cotton mills were built) and a new class of Chinese capitalists was appearing, who sought to copy European methods and hoped to imitate the example of the Japanese. In China as elsewhere, the growth of industrialism involved the growth of nationalism. European education began to be introduced, and the 1905 Revolution in Russia with the subsequent setting-up of the Russian Duma stirred up a democratic agitation against the Manchus. Under the leadership of Sun-yat-Sen a revolutionary movement with socialistic ideals and a republican aim was started in South China. Though suppressed in 1908, it paved the way for a further successful revolution in 1911. Then the chief

general of the Peking government, Yuan-shi-Kai, betrayed his masters and came to terms with the rebels, agreeing to accept a republic provided he was chosen its first president.

At this moment the European powers were too occupied with a crisis of their own (Agadir) to use the Chinese revolution as an opportunity for further encroachment, but by 1913 they had begun to intrigue with the new government. A split developed between Yuan-shi-Kai, who was aiming at making himself dictator, and Sun-yat-Sen with his left-wing party, the Kuo-min-tang. In spite of the Chinese objection to foreign loans, Yuan-shi-Kai outmanœuvred his opponents by accepting a "reorganization" loan of 25 million pounds from a consortium of the bankers of six powers, Britain, France, Germany, U.S.A., Russia and Japan. Sun-yat-Sen was driven from China into exile, and the new republic languished in disunion and instability.

In 1913 the U.S.A. dropped out of the bankers' consortium, which was further broken up by the outbreak of war in 1914. The war provided Japanese imperialism with what appeared a golden opportunity. First she declared war on Germany and seized Kiao-Chow. Then in 1915 she presented to Peking her "Twenty-one Demands," which provided for what amounted to complete economic control of China by Japan. China was required to give Japan a monopoly of concessions in South Manchuria and Eastern Mongolia and to transfer to Japan, German rights in Shan-tung. "With the object of effectively preserving the territorial integrity of China," so the formula ran, she was forbidden "to lease or cede to a *third* power any harbour, bay or island along the coast." Her finances and military forces were

to be supervised by Japanese "advisers," her munitions and police provided partly from Japanese sources. And the province of Fukien was to become a Japanese "sphere of influence."

The Japanese demands were stubbornly opposed by China, who would agree only to a part of them, the territorial demands. But another opportunity was presented to Japan by the Russian Revolution. In 1917 Japan occupied the Russian "sphere of influence," Northern Manchuria, and sent 70,000 troops into Eastern Siberia. But by the time of the Peace Conference the European powers were roused against Japan's intention of taking exclusive control of China, and a reaction set in. Only after long wrangling did Japan secure her title to Kiao-Chow. The occupation of Shantung and Eastern Siberia drew protests from the U.S.A., and Australia and Canada successfully opposed the renewal of the Anglo-Japanese alliance. At last at the Washington Conference of 1920-21, Japan found it desirable to placate the U.S. and purchase naval security by abandoning her claim to exploit China alone. She therefore evacuated Siberia, agreed to return Kiao-Chow and Shantung to China, and joined eight other powers in signing an "Open Door" Treaty renouncing the policy of exclusive "spheres of influence" in China. This was a triumph for American diplomacy, which was assisting the claim of American finance to share in Chinese industrial development, and so objected to single-power concessions. By this conference the Chinese were promised tariff autonomy.

The foreign exploitation of China had now reached its furthest point. The foreign trade of China averaged from 1919 to 1924, 360 million pounds in value a year, of which Great Britain

(through Hong Kong) handled over one-third, and British shipping carried nearly two-thirds ; 24 per cent. was with Japan, and 17 per cent. with U.S.A. Foreign loans to China amounted to some 200 million pounds, of which 47 million pounds was owed to Britain. Since 1876 about 8,000 miles of railway had been built, mainly with foreign capital, one sixth of which was British. French capital was invested mainly in mining (copper and tin).

In 1923, Sun-yat-Sen once more established himself in South China, with his centre at Canton, and the Kuo-min-tang began to make a forward movement against foreigners. The North was a prey to hopeless civil war between various provincial governors and bandits maintained or abetted by foreign governments or groups of capitalists still interested in their "spheres of influence." This time the powerful influence of Russia was thrown into the scale behind the Chinese nationalists. The Russian soviet government had renounced the older Russian concessions in China (although Mongolia was turned into a soviet state), and now set itself to increase its influence in China by stimulating the hatred of foreigners and infusing the Kuo-min-tang with Communist ideas.

In 1924, the Canton government organized a general strike and boycott of British trade in Hong-Kong which lasted till 1926. By the end of this time the nationalists felt strong enough to advance northwards from Canton, relying more on propaganda than military force to overthrow the northern generals. They rapidly secured a hold over Southern China, but their greatest success was the obtaining of the abandonment by Great Britain of the Hankow concession and its return to Chinese rule. But the success of the Chinese

nationalist party was both limited and precarious, since it depended so much on Russian advice and leadership, which meant communist policy. And China—a land of peasants, not of urban workers—was hardly suitable ground for communism. In 1927 the inevitable split between the extremists and moderates in the Kuo-min-tang came to a head, and Russian influences and communism received a definite set-back. The moderate elements in the Kuo-min-tang gained the upper hand, and after a short interval the advance northward was resumed. In the summer of 1928, Peking at last fell into Nationalist hands. But at the same time ominous signs of a recrudescence of private ambition and military rivalry could be observed among the various generals who had played a part in making the Nationalist movement successful.

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CHAPTER IV

DOLLAR DIPLOMACY IN AMERICA

WHILE the tide of imperialism was running its course during the late nineteenth century in Asia and Africa, America remained unaffected—a world to itself where the idea of *laissez-faire* still had elbow-room. The surplus energies of the white races settled all over this continent were still taken up with discovering, clearing and populating *the land*. For instance, from 1850 to 1900 the United States was still passing through this pioneering stage, when the frontiers were still being pushed westward, land was cheap, and the main problem was how to attract enough labour to fill the land. During this period population rose from 23 to 76 millions, while the acreage of land under cultivation increased almost in proportion. Foreign markets and raw materials were of little concern to a community whose main import was labour and whose main export agricultural produce. This import of labour itself constituted the greatest of social problems; first, negro slavery and the racial difficulties between black and white; secondly, the heterogeneous character of the white immigrants and the need for their assimilation into a single nation. These internal problems (still partially unsolved to-day) kept the U.S. from "thinking imperially" till near the turn of the century. But after 1900 the economic position was rapidly changing. From 1900 to 1910 population increased 21 per

cent. but the agricultural area only 4.8 per cent. Industry was overhauling agriculture, towns phenomenally increased their size, and foreign trade and shipping grew in importance. So the old policy of isolation and pacifism began to break up. The U.S. has passed—particularly since the Great War—into the imperialist phase.

From one point of view the long freedom from interference enjoyed by the American continent is surprising. Throughout the nineteenth century conditions in most of South and Central America were such as to invite the fate which was overtaking Africa. Here were vast undeveloped natural resources, urgent need of foreign capital, unstable governments and ill-equipped defences. Why was not Latin America scrambled for and partitioned like Africa? One reason may be the previous settlement and conquest of Central and South America by the Spaniards and Portuguese—white men and Christians. Imperialism could not plead here its "civilizing mission!"

But sentiment alone would hardly have sufficed to protect America. More important was the effect of the famous Monroe Doctrine. A century ago, after the revolt of the Spanish colonies from their mother-country, Canning had proclaimed the "liberal" doctrine that Great Britain would not stand by and allow either the French or Spanish autocracy to reassert its authority in America. Then in 1823 President Monroe, secure of British backing, issued his warning that the United States would regard as "dangerous to our peace and safety" any attempt on the part of the European powers to extend their system (Holy Alliance, etc.) to any part of the Western hemisphere. "The American continents," he said, "are henceforth not to be considered as

subjects for future colonization by any European powers." This doctrine, first pronounced by the U.S. with British support, was maintained mainly through the mutual jealousies of the European powers till the U.S. grew strong enough to enforce it by herself.

In the course of the century it achieved a strange evolution. What had begun as an essentially "Liberal" pronouncement against imperialism became in time re-interpreted so as to resemble the imperialist "sphere of influence" doctrine. Thus in 1895 in the course of "warning off" Great Britain in the Venezuela boundary affair, Secretary Olney declared that "to-day the U.S. is practically sovereign in this continent, and its fiat is law upon the subjects to which it confines its interposition." The Monroe Doctrine was a one-sided pronouncement, never accepted by any other American state and never officially defined by the U.S. itself. As a rule European governments were interested in the Latin American states only when they defaulted on loans made by European capitalists. So the United States gradually assumed the rôle of informal debt-collector in America for the European capitalist. This first provided an excuse for interference in the affairs of the sister republics, and later became an instrument of direct imperialism.

The Spanish-American War (1898) saw the début of U.S. imperialism. Among the remnants of the once-great Spanish American empire the island of Cuba in the Caribbean Sea was the richest possession. Ever since 1850 U.S. capital had sought investment in Cuban sugar and tobacco plantations, iron mines, railways and shipping. By 1893 this capital was valued at 50 million dollars. The island was also becoming

of strategic importance to the U.S. navy. Suddenly in 1894 a rebellion against Spanish rule was raised, led curiously enough by certain Cubans who had been resident in the U.S. The Cuban sugar-crop was severely hit by the rebellion, and soon the refineries in the U.S. which handled Cuban sugar were suffering from unemployment. Naturally it was not long before U.S. public opinion was roused by tales of atrocities committed in Cuba by Spanish troops engaged in putting down the rebellion. The protest of the Washington government was followed by the blowing-up of the U.S. battleship *Maine* in Havana harbour—cause unknown—and war was forthwith declared.

The peace treaty which followed the defeat of Spain in this war required the latter to cede far more than Cuba. Early in the war, hearing that German and British war ships were already in the Philippines, the U.S. dispatched a squadron across the Pacific to Manila Bay. At once troops were landed, and a native insurrection against Spain and in favour of an independent republic was fomented. With the aid of the rebels Spanish troops were driven out and the islands were ceded to the U.S. Then the republican insurgents, having served their turn, were suppressed by the U.S. marines (1899-1901). Years later Cuba was given a semi-independent status, but not until she had practically passed by "peaceful penetration" into the ownership of the National City Bank of New York!

After annexing the Philippines, the United States was anxious to demonstrate its purely altruistic motives by treating the Filipinos as wards to be trained for freedom under a liberal régime. An elaborate educational system was built up under which 10 per cent. of the population

were receiving education; and a Philippine legislature was set up and given a measure of home rule (1914-21). But as the stage of tutelage was completed and the ward became ripe for freedom, a strange hesitation began to appear in U.S. policy. When Harding succeeded Wilson as President a reaction against Filipino independence set in. The Wood-Forbes. Commission accused the Filipinos of corruption and incompetence in the exercise of home rule, and under Governor-General Wood the movement for independence was repressed. In reality a new economic factor had appeared which altered the situation--the possibility of growing rubber in the Philippines. At the same time the Philippine market was becoming more and more important to U.S. manufacturers, who in 1899 had supplied only 7 per cent. of Philippine imports, but in 1925 55 per cent. So the U.S. stays in the Philippines!

About the same time as the Spanish-American War, the U.S. also acquired Hawaii by similar methods. Large sugar interests in Hawaii had been acquired by American and European capitalists. By treaty in 1875 the U.S. had given Hawaiian sugar a customs preference over Cuban sugar. When sugar was put on the free list in 1890 a big slump took place in Hawaiian plantations, which could not compete with Cuba. Forthwith the foreign residents in Hawaii formed a committee of public safety and appealed to the U.S. to help them in their distress (1893). U.S. marines were landed, the Hawaiian monarchy overthrown and the island annexed (1898). Since then Hawaii has been developed, through the importation of Chinese and Japanese coolie-labour, by the American sugar trust.

The next episode of U.S. imperialism took place in Haiti in the Caribbean Sea. The isle of Haiti was divided between two independent republics, the negro state of Haiti and the Spanish-mulatto state of San Domingo. In 1904 the latter became first financially unstable, then bankrupt. Thereupon its foreign creditors (mainly German) encouraged the U.S. to assume (1907) a financial protectorate over San Domingo, collecting its customs and turning over to them 50 per cent. of its revenue. But San Domingo was only half the island. In 1914 the United States, without any special reason, required Haiti to conclude with her a treaty giving her the charge of the Haitian customs collection and debt service. A refusal to agree to this was followed by the usual landing of U.S. marines (1915) and the enforcement of a treaty placing Haiti under U.S. "protection." A dummy Haitian government was maintained in office by these marines till it was considered safe to let elections take place in 1922. Finally, in 1924 San Domingo was brought into line by the signature of a treaty making her also a U.S. protectorate.

In the meanwhile not merely the islands of the Caribbean, but the mainland of Central America was coming under U.S. influence. Ever since the middle of the nineteenth century plans for the construction of a canal for shipping across Central America had been under consideration. This canal might be cut either through Nicaragua or through Panama, both territories belonging to independent republics. Was the canal to be American, neutral or international? The treaty of 1850 between Great Britain and the U.S. had provided that any canal constructed should be unfortified, neutrally controlled and under inter-

national guarantees. But whilst Britain was engaged in the Boer War (1901) the U.S. seized the opportunity to obtain a new treaty (Hay-Pauncefote) recognizing U.S. control of the canal, provided it was kept open without discrimination to the world's shipping.

For technical reasons it was decided to build the canal through Panama rather than Nicaragua. But Panama was a province of the Republic of Colombia, which in 1903 refused an offer by the U.S. to lease it for 99 years. Thereupon Roosevelt determined that the U.S. should build the canal in despite of Colombia's rights. The now familiar method was employed of engineering a revolution in the country required. Panama "revolted" from Colombia in November, 1903. At once the U.S. recognized Panama's right to secede, and landed marines. The new Republic was set on its legs within less than a month, and duly leased the land for the canal to the U.S. in perpetuity for 10 million dollars in cash and an annual subsidy. Some years later Colombia was compensated for her loss by an indemnity.

The Panama canal was then constructed at a cost of over 350 million dollars and formally opened in 1920. The United States promptly proceeded to fortify it and to recognize its strategic importance by protecting it with further acquisitions, e.g., Haiti and the Danish West Indies. Central America then became a definite "sphere of interest" to the U.S. In Panama there was already a veiled protectorate; and constant intervention has since taken place in the affairs of Costa Rica and Nicaragua.

More important however, than any of these was the U.S. treatment of Mexico, the only Central American state capable of defending

itself. Mexico is a standing temptation to imperialists, not only because of its silver and gold mines and its copper and lead, but also because of its oil. Mexico provides 20 per cent. of the world's petroleum supplies. Under the rule of President Diaz (1877-1911), the policy of attracting foreign capital into Mexico to develop these resources and to build railways was consistently followed. By 1924 it was estimated that 250 million pounds of U.S. capital (railways, 32 million pounds, mines 60 million pounds, oil 100 million pounds, timber and plantations 40 million pounds), 150 million pounds of British capital, and 100 million pounds of other foreign capital were sunk in Mexico.

These foreign investments, large as they were, did not involve Mexico in outside interference so long as internal order was maintained and the necessary dividends earned by Mexican labour and paid to the foreigners. But the twentieth century has seen the gradual revolt of the small Mexican industrial proletariat and the much more numerous Mexican serf (peon) population against a system which leaves them illiterate and poverty-stricken in spite of the wealth which they produce. In particular, discontent was focussed on the granting of common lands by the Mexican government to foreign concessionaires and speculators, in spite of the land-hunger of the Mexican peasant.

The fall of Diaz paved the way for struggles between Mexican generals who served as puppets for this or that foreign economic interest. At the same time it was necessary for successful Mexican revolutionaries to pay attention to native grievances. The impossibility of serving at the same time the interests of the foreign capitalist

and the interests of the Mexican peasant and industrial worker has prevented Mexican governments from achieving stability ever since.

Rivalry between British and U.S. oil interests has played an important part. Diaz had favoured the British (Lord Cowdray) in granting oil concessions. Madero, who drove Diaz out (1911), was supposed to be the nominee of Standard Oil interests. Huerta again, who betrayed Madero in 1913, was regarded as a British tool. President Wilson refused to recognize Huerta as Mexican President, but tried also to avoid committing himself to American imperialist aims. But in the struggles between Carranza and Villa, Huerta's successor, the U.S. was drawn into sending a punitive expedition (1917) into Mexico in retaliation for a Mexican raid across the U.S. border.

At length the Mexican constitutionalists triumphed, but only to raise the further issue of the right of the Mexican government to annul foreign concessions affecting U.S. oil interests. The Carranza government in 1919 annulled grants of nearly 40 million acres of land, nationalized oil rights and taxed all oil produced. The substitution of Harding for Wilson gave U.S. oil interests greater power in influencing foreign policy. Obregon, who overthrew Carranza in 1920, was only able to purchase recognition as Mexican President from the U.S.A. by exempting all properties acquired before 1917 from the Mexican nationalization laws. On the strength of this agreement the oil magnate Doheny lent Obregon one million pounds to suppress a rebellion (De La Huerta) financed, it is alleged, by the Royal Dutch Shell (British). Calles, who succeeded Obregon in 1924, attempted to carry the earlier oil and land reforms into effect. He has found

himself obliged to compromise with the hidden hand of foreign interests, like his predecessors.

From this account the general features of U.S. imperialism become clear. The U.S. may be said to have discovered a new method of imperialist penetration, more subtle and less costly than the old, summed up in the phrase "dollar diplomacy." This consists in the export of capital and the financial subordination of weak and unstable countries, together with the promotion of internal disorders in these countries in order to control their politics. This method has even been extended since the war from the new world to the diseased portions of Europe and to the Near East. It is estimated that by 1925, 2,000 million pounds of U.S. capital had been invested abroad. Of this 43 per cent. was invested in Latin America, 27 per cent. in Canada and Newfoundland, $7\frac{1}{2}$ per cent. in Asia and Oceania, and 22 per cent. in Europe. About 80 per cent. of the total was invested in non-European, undeveloped and relatively weak countries, most of it in industrial and railway enterprises, rather than in government loans.

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CHAPTER V

THE LEAGUE OF NATIONS AND IMPERIALISM.

THE growth of modern imperialism has taken place in the face of continuous opposition both from declining *laissez-faire* Liberalism and from the rising international Labour movement. At one time or another these forces have had temporary success in checking imperialist aims in particular cases; and at the close of the Great War a rather more ambitious attempt was made, through the League of Nations, to check imperialist exploitation in general.

During the war the allied governments developed two totally inconsistent sets of aims. First, provision was made for dividing up the expected spoils of victory by a series of secret treaties, affecting the German colonies, Turkey (including Constantinople) and Persia. But secondly, such insistence was laid by official propaganda on the ideal of "a war to end war" and the rights of small nations to self-determination that public opinion expected to see something done to translate them into practice. Socialists were already suggesting the plan of international control of colonies. Thus at the inter-allied Socialist conference in London (February, 1918) it was urged that tropical Africa should be placed under the control of the League of Nations, which should protect the interests of the native populations. And President Wilson in the fifth of his famous Fourteen Points laid it down that, in

adjusting colonial claims, "the interests of the population concerned must have equal weight with the equitable claims of the government whose title is to be determined."

Accordingly, immediately after the Armistice the plan of a mandate system was devised by General Smuts and adopted by President Wilson. The former proposed to apply the system only to Russia, Turkey and Austria-Hungary; but Wilson, omitting Russia, included the ex-enemy colonies. All these territories were to be placed under the League of Nations, which was to delegate its authority, under charter, to specific states, as far as possible subject to the approval of the populations concerned. The idea of including the ex-enemy colonies in this scheme ran counter to the allies' secret treaties, and particularly to the aims of the British dominions, which had already seized these colonies during the war. After a struggle Wilson forced the Allies in principle to accept the mandate idea for application to the German colonies and Turkish dependencies; but, as so often happens, the principle proved less important than its application. The covenant of the League of Nations was drafted in vague and inconclusive terms, referring to "peoples not yet able to stand by themselves under the strenuous conditions of the modern world," whose tutelage "should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility." The actual selection and arrangement of the mandates was not left to the League, but was laid down in the Peace Treaties.

In order to effect a compromise between idealism and imperialism, the mandates were divided into

three classes, A, B, and C. "A" mandates were to apply to peoples "under tutelage," who were eventually to form independent states. "B" mandates were to be treated as ordinary colonies, but under guarantees for the securing of freedom of conscience and religion, suppression of abuses like the opium trade and slavery, non-fortification and free trade. "C" mandates applied to territories which "can best be administered under the laws of the Mandatory as integral portions of its territory"—in other words, annexed. The refusal of the U.S.A. to participate in the League and the reversal of Wilson's foreign policy left the working-out of the mandate system to the remaining allied powers, who gradually whittled away its effectiveness as far as they dared. The mandates were not completed and ratified by the League Council till 1923.

The "A" mandates were applied to Syria (France), Mesopotamia and Palestine (Great Britain), three Arab states formerly part of the Turkish Empire. The mandates expressly stipulate that these states are to be gradually guided to independence, and in one case, Mesopotamia, an Arab Kingdom has actually been set up (Iraq) and promised eventual admission to the League itself. The mandatories are forbidden to impose their religion or language on the people under their care, or to grant monopolistic concessions for exploiting the natural resources of the countries. Of the three "A" mandates, that in Mesopotamia has been the most successful. This has been complicated by the rivalry between U.S. and British interests for the exploitation of Mesopotamian oil, and by the rivalry between Turkey and Great Britain for the possession of Mosul (also for oil). American oil companies were

eventually satisfied by a 25 per cent. share in Mesopotamian oil wells. The Arabs did not accept British rule in Mesopotamia without a revolt (1919-20), which led to the astute decision to appoint an Arab King, Feisal, and to conciliate nationalist sentiment by a "treaty of alliance" between Britain and Irak (1922). This treaty was renewed in 1925 for a further 25 years, in spite of a good deal of criticism from the British taxpayer who, it was estimated, had up to that date spent 150 million pounds in Mesopotamia, mainly for military purposes.

Both in Palestine and Syria the mandatory powers found themselves in serious conflict with Arab nationalism. Under the terms of the Palestine mandate Great Britain bound herself to help in "the establishment in Palestine of a national home for the Jewish people"—this in a country where 80 per cent. of the inhabitants were Moslems. No wonder the pursuance of the Zionist plan has faced British administration in Palestine with continual passive and active Arab resistance. Under Sir Herbert Samuel (High Commissioner, 1920-25) a constitution, providing for a legislative council with proportional representation of Moslems, Jews and Christians, was promulgated. But this was boycotted by the Arabs and had to be put into cold storage. The number of Jews in Palestine has increased from 84,000 (1922) to 108,000 (1925) nearly all town-dwellers.

In Syria France had to face Arab hostility from the start. In 1920 Arab nationalists attempted to set up Feisal as King of Syria and Palestine, and after his expulsion by French troops, the British made him King of Irak. The French divided Syria into five districts, each of which was to have

its own native representative council, supplying delegates to a common federal council. But this plan was delayed and all but spoiled by the outbreak of a rebellion among the Druses of the Lebanon, provoked by the tactlessness of the anti-clerical general Sarrail who had been set out as High Commissioner. During the rebellion Damascus was bombarded by French troops and native villages burned. From 1919-1925 French military expenditure in Syria amounted to 2½ billion francs. The Mandates Commission of the League insisted on receiving from France a special report on the Druse rebellion. This report failed, so the Commission said, "to fulfil its expectations." Afterwards the Commission gave as its own opinion that the rebellion had been provoked by too hasty land reforms and "excessive demands in the form of forced labour" from the Druses.

The "B" mandates consist of the three ex-German colonies in tropical Africa, divided into six territories as follows: Togoland, between France and Britain; the Kamerouns between France and Britain; German East Africa between British (Tanganyika) and Belgium. A "B" mandate demands of the mandatory no attempt to develop native self-government, but merely protects the native against certain of the more blatant abuses of imperialism. Not only are slavery and the slave trade forbidden, but compulsory labour (except in a limited form) may not be levied, and the traffic in drink and arms must be controlled. Native troops can only be levied for police purposes or home defence. The "open door" for foreign trade must be preserved. The land system—as elsewhere in Africa—presents the main problem. The natives do not

understand private property in land, yet the mandatories are bound to "respect the rights and safeguard the interests of the native population." Generally all lands not in actual occupation are declared to be public or state lands and leased out to planters or companies. The French have also tried to make the natives "register" their own land. Forced labour for private enterprise is prohibited, but allowed for a few days a year in the form of labour on public works in lieu of taxation. Owing to the climate European administration cannot easily be carried on through white officials, and therefore native chiefs are usually used as government agents to collect taxes and recruit labour. In their hands "free recruiting" often becomes hard to distinguish from compulsion. It remains to be added that "B" mandates have been a financial drain on the mandatory powers, except in the case of France. Nevertheless, the amounts spent on native education have been pitifully small: a good example is the £60,000 a year for the four million population of Tanganyika. Except through missions it is practically impossible to obtain an adequate supply of teachers.

The "C" mandates consist of a small group of German colonies which the Allies (mainly the British Dominions) insisted on annexing without restrictions such as operated in the case of the "B" mandates, especially the "open door." First, South Africa demanded the incorporation of German South-West Africa into its own customs system and administration. Then Australia and New Zealand appropriated New Guinea and Samoa respectively on the same terms, in order to be able to exclude Japanese immigrants from these islands. Finally Japan received for

herself a large number of tiny South Sea islands, including Yap, an important trans-Pacific cable station.

The largest of these territories was German South-West Africa, where a legacy of discontent among the Hottentots and Bantus had been left by the German settlers, who had occupied most of the land and tried to force the natives to work in the mines and on the ranches. After the war the position was complicated by the addition of many thousands of British settlers, who also occupied land. British policy towards the natives was more humane than the German had been, but mistakes such as the jailing of natives for non-payment of the heavy dog-tax in 1921 helped to provoke the Bondelzwarts rebellion of 1922. This was crushed with machine-guns and bombing-planes. Complaints against the South African government were made in the League Assembly in 1922 and 1923, and as a result the oppressive laws were modified and the damage done to the Bondels made good. In the case of one other "C" mandate has there been trouble. A movement for self-government in Samoa, through a native society under European leadership, caused the dispatch of cruisers and troops for its suppression. Here also the League has called for a report.

Reviewing the mandates system as a whole, it is clear that it represents some advance, particularly in the case of the "A" mandates, on the unbridled pre-war imperialism. But the control of the League over the mandates is extremely vague and really limited to whatever moral influence it can exert. No one knows to whom the sovereignty over mandated territory belongs, or whether the terms of a mandate could be altered or a mandate

itself transferred, without the consent of the mandatory. The main hold which the League exercises over its mandates is through its power of receiving and examining annual reports from the mandatories. These can be made into a powerful instrument for publicity and for laying down the general principles of colonial administration. In other words, the mandate system provides machinery for official international criticism of imperialism in one small corner of its operations.

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CHAPTER VI

A BALANCE SHEET OF IMPERIALISM

TEN powers, eight of them European, to-day possess substantial empires. These powers are not necessarily the greatest or the most populous in the world ; indeed some of the most important countries—Germany, for instance—have no colonies or possessions. Nor is empire distributed in proportion to needs, or size of territory and population—Italy and Japan are far lower in the list than their population would warrant. The following table will make the position clear :—

PRESENT DAY EMPIRES *

Country	Home Population (Millions)	Population of Empire (Millions)	Area of Empire (sq. miles 1,000)
Britain ..	45	417	13,616
France ..	40	59	4,136
Holland ..	7½	50	789
Russia ..	143	35	6,400
Japan ..	84	23	114
U.S.A. ..	106	22	911
Belgium ..	7½	11.5	931
Portugal ..	6	9	936
Italy ..	40	2	780
Spain ..	22	1	129

* The conception of an Empire is to-day changing and figures of population and area of colonies do not always convey a correct impression. Thus the countries financially penetrated and dominated by the U.S. might, though nominally independent, be included in her "empire."

The outstanding feature of this table is obviously the enormous predominance of Great Britain in the struggle for empire; her share is as great as that of all the others put together—in a word, Great Britain is *the* imperialist power. But there is one most significant point—*India* accounts for nearly $\frac{2}{3}$ of the population of the British Empire. Without India this Empire would be ahead of but still comparable with other empires. India is the core of British imperialism, economically, strategically and politically. 'There are really *two* British Empires—the Asiatic and tropical-African possessions inhabited by coloured peoples, and the white Dominions of Australia, Canada, and (in part) South Africa, which help to rule and exploit the former and are alone entitled to share the appellation "British Commonwealth of Nations." These two Empires roughly correspond to the two main motives for imperialism—the "population" motive, and the "trade" motive. The Italian and Japanese empires are other examples of the need for finding outlets for surplus population. The French, Dutch and U.S. Empires are other examples of the need for finding fresh markets and sources of raw material for home industries. The Russian Asiatic Empire is in a category all by itself, since Russia has never needed to export surplus population like Italy, and has so far proved incapable of exploiting her own territories industrially.' The Russian Empire however resembles the British Empire in one sense. Both have grown, territorially, to such a size that what they need is proper *internal* organization and co-ordination of resources. In the Russian Revolution one may see a convulsive movement towards greater efficiency of government comparable to the (milder) re-

organization which proved necessary at the beginning of the nineteenth century, when Great Britain found herself unable to govern the empire she had won. ' Finally, among the ten empires are several which are held precariously and are in some danger of being partitioned among other more aggressive powers—in this group are the possessions of Holland, Belgium, Portugal and Spain. '

How far have the ten empires achieved their purpose? Does imperialism pay? It is not altogether easy to give a conclusive answer. Take first of all the question of markets. The total international trade of the world has been estimated (1922-23) at about 10,000 million pounds value. Of this the trade of colonies, protectorates and spheres of influence account for 2,500 to 3,000 million pounds. Three-quarters of this is the trade of the British dominions and colonies, one-tenth the trade of the possessions and protectorates of the U.S.A., and one-sixteenth the trade of the Dutch and French colonies respectively. How far do these colonies supply markets for the industries of their mother-country? Great Britain sends now 40 per cent. of her exports to her empire, France 13 per cent. to hers, U.S.A. 11 per cent. to hers. And between 1913-1923 colonial markets generally increased by over 50 per cent., whilst world-markets were increasing by only 22 per cent. On the other hand, a great colonial market like Canada draws only 17 per cent. of her imports from Great Britain, but 67 per cent. from the U.S. ' Indeed Canada represents to the U.S. a larger market than the whole of her own colonies and dependencies! ' Similarly, French Indo-China buys from France only 40 per cent. of what she needs from abroad. Here are some figures showing what percentage of their imports

various parts of the British Empire draw (1923) from the United Kingdom :—

British West Africa	..	73 per cent.	
" East Africa	..	42	" "
" India	..	58	" "
" Malaya	..	13	" "
" South Africa	..	54	" "
Australia	..	52	" "
Egypt and Soudan	..	33	" "

In some cases colonial trade is practically monopolized, by natural or artificial means, by the mother country, e.g. Britain's 80 per cent. share of Nigerian trade, France's 64 per cent. of Morocco and 78 per cent. of Madagascar, U.S.A.'s 89 per cent. of Hawaii and 58 per cent. of the Philippines.

' On the whole colonial possessions give a slight advantage to the mother countries' trade, but it is doubtful how far this offsets the expenditure incurred in acquiring and keeping these possessions. Further, while the expense falls on the general taxpayer and citizen, the gain is enjoyed by the firms which carry on the colonial trade.'

Turning next to the market for capital afforded by empires, it is estimated that during the past 40 years the capitalists of four leading imperialist countries have invested the following sums abroad :—

Great Britain (to 1914)	..	£4,000 millions	
France { " " }	..	50,000	" francs
Germany { " " }	..	28,000	" marks
U.S.A. (,, 1925)	..	9,500	" dollars

The effect which the investment of these enormous sums abroad has had and is having on the course of international politics is a mystery we are only just beginning to probe. The phrase

"dollar diplomacy" has only recently been coined to apply, significantly enough, to the youngest of empires.¹ The investment of all this capital abroad—much of it in weak and backward countries—has undoubtedly helped to raise the material standard of life for the inhabitants of these countries, though in small proportion to the profits conferred on their exploiters. But has it not involved the exporting country in an obvious danger in the raising up of foreign industries to compete with its own? We have seen that the reason why capital is exported at all is that it can earn a higher rate of profit abroad than at home by exploiting cheap labour and plentiful raw materials. This labour in time competes with and undersells certain categories of more highly-paid labour at home. But though particular industries may be affected by foreign competition in this way, the market *as a whole* must grow wider through the industrialization of backward countries, and the consequent increase in their purchasing power. On the other hand the amount of foreign capital needed by backward countries does not increase in the same degree—a saturation point must be reached, as they develop their own accumulations of capital.² It is likely therefore that in the end there will be a narrowing field for the investment of exported capital, which will intensify the scramble for colonies and dependencies and provoke war.³ Against this is to be set the growing tendency of capital to resort to international agreements—such as the Chinese consortium, the reconstruction loans for Austria and Hungary and the Turkish Petroleum Company—to eliminate cut-throat competition and regulate the spoils of empire, as a trust regulates the output of an industry. In some countries, such as Great

Britain, there is also a tendency to react altogether against the export of capital, and to regard greater home investment or reduced savings as a healthy sign.

The third motive for empire has been the seeking of an outlet for unwanted population. Only in Great Britain's case has a satisfactory result been achieved, and this mainly because we appropriated the more temperate parts of the globe before other powers joined in the race. In their case, when the "surplus" emigrated, it preferred to go elsewhere than to colonies in Africa or Asia. Thus Germany found herself sending in one year (1913) more of her citizens to settle in the U.S.A. than she had managed to settle in her colonies in 30 years! Similarly more Italian immigrants entered the U.S. in 1923-4 than the total Italian population of Libya. In spite of Mussolini's visits to Africa it seems that Italians prefer to filter across the frontier into France rather than cross the Mediterranean to the deserts of Tripoli. The surplus Japanese population too has preferred to flow into the U.S. rather than Korea.

More important than population is the supply of raw materials for home industry. The needs of the principal imperialist powers are roughly as follows:—

U.S.A. (1925)	..	..	\$1,430 million
Great Britain (1924)	..	..	£400 "
France (1925)	..	..	Francs 29 "
Germany (1925)	..	..	Gold Marks 6,250 "

✓ How far do colonies supply these needs? The desire to secure a supply of food or materials in case of war is an important factor in the psychology of the popular support of imperialism. Yet it is founded to a large extent upon illusion. Countries do not necessarily enjoy the raw materials which

their colonies produce, for these materials go to the highest bidder. Thus, the nickel and cobalt of French New Caledonia go to Belgium. The greater part of the rubber output of British Malaya goes to the United States. The graphite of French Madagascar goes to Great Britain. Conversely in spite of continual efforts since 1860, Great Britain has been no more able to escape from her dependence upon the U.S. for raw cotton, than the U.S. has been able during the last 20 years to escape from her dependence on the British Empire for raw rubber. The principal imperialist powers are dependent at least partially on sources outside their own empire for the following essential raw materials :—¹

U.S.A.—Jute, silk, rubber, tin, nickel, wool, manganese, asbestos.

Japan.—Cotton, iron, rubber, hides, wool, flax, hemp, wood pulp, oil.

France.—Coal, zinc, tin, lead, manganese, oil, nitrate, mercury, sulphur, platinum.

Holland and Italy.—Iron, coal, cotton.

Belgium.—Coal, phosphates, cotton.

Portugal.—Coal, cotton, fertilisers.

Great Britain.—Cotton, copper, platinum, antimony, sulphur, quicksilver, fertilisers.

¹The British Empire is the nearest to self-sufficiency in raw materials. Yet even here there are notable deficiencies, quite apart from the fact that in many cases, though the empire *produces* enough to satisfy its own needs, it does not *retain* that produce for its own consumption; wood-pulp is a good example. The task of organizing empire resources is a superhuman one, when that empire is scattered all over the globe, dependent on long and vulnerable lines of communication by sea, and threatened with disruption by the rising force of

nationalism both in the white dominions and in the subject races. But if the British Empire, comprising over a quarter of the land surface and population of the earth, is not yet within measurable reach of economic self-sufficiency, what chance is there for other empires, except perhaps that of the U S A ? In the case of France, for instance, though two-thirds of her imports consist of raw materials, only one-tenth of these are drawn from the French colonies.

In conclusion then, modern imperialism represents an adaptation of the economic structure in response to certain needs, which have been so far only very partially met by the means employed. Empire marks a stage in the age-long search for self-sufficiency which began with the mediæval manor, continued through the nation-state, and is yet seeking its realization. But just as in industry the trust may be regarded as a half-way house from competition to community-controlled co-operation, so too empire may be but a stepping-stone between nationalism and internationalism.

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For General Reading :—

- P T Moon — *Imperialism and World Politics* (1926).
- I Bowm in — *The New World* (1926)
- L Woolf — *Imperialism and Civilization* (1928)

